

DIVISION C—RESOURCES

TITLE I—INDIAN ENERGY

SEC. 30101. INDIAN ENERGY.

Title XXVI of the Energy Policy Act of 1992 (25 U.S.C. 3501 et seq.) is amended to read as follows:

“TITLE XXVI—INDIAN ENERGY

“SEC. 2601. DEFINITIONS.

“In this title:

“(1) INDIAN.—The term ‘Indian’ means an individual member of an Indian tribe who owns land or an interest in land, the title to which land—

“(A) is held in trust by the United States;

or

“(B) is subject to a restriction against alienation imposed by the United States.

“(2) INDIAN LAND.—The term ‘Indian land’ means—

“(A) any land located within the boundaries of an Indian reservation, pueblo, or rancheria; or

“(B) any land not located within the boundaries of an Indian reservation, pueblo, or rancheria, the title to which is held—

“(i) in trust by the United States for the benefit of an Indian tribe;



1 “(ii) by an Indian tribe, subject to re-
2 striction by the United States against
3 alienation; or

4 “(iii) by a dependent Indian commu-
5 nity.

6 “(3) INDIAN RESERVATION.—The term ‘Indian
7 reservation’ includes—

8 “(A) an Indian reservation in existence as
9 of the date of the enactment of this paragraph;

10 “(B) a public domain Indian allotment;

11 “(C) a former reservation in the State of
12 Oklahoma; and

13 “(D) a dependent Indian community lo-
14 cated within the borders of the United States,
15 regardless of whether the community is
16 located—

17 “(i) on original or acquired territory
18 of the community; or

19 “(ii) within or outside the boundaries
20 of any particular State.

21 “(4) INDIAN TRIBE.—The term ‘Indian tribe’
22 has the meaning given that term in section 4 of the
23 Indian Self-Determination and Education Assistance
24 Act (25 U.S.C. 450b), except the term, for the pur-



1 poses of this title, shall not include any Native Cor-
2 poration.

3 “(5) NATIVE CORPORATION.—The term ‘Native
4 Corporation’ has the meaning given the term in sec-
5 tion 3 of the Alaska Native Claims Settlement Act
6 (43 U.S.C. 1602).

7 “(6) SECRETARY.—The term ‘Secretary’ means
8 the Secretary of the Interior.

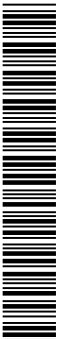
9 “(7) TRIBAL CONSORTIUM.—The term ‘tribal
10 consortium’ means an organization that consists of
11 at least 3 entities, at least 1 of which is an Indian
12 tribe.

13 **“SEC. 2602. INDIAN TRIBAL RESOURCE REGULATION.**

14 “To the maximum extent practicable, the Secretary
15 and the Secretary of Energy shall make available to In-
16 dian tribes, tribal consortia, and Native Corporations sci-
17 entific and technical data for use in the development and
18 management of energy resources on Indian land and on
19 land conveyed to a Native Corporation.

20 **“SEC. 2603. LEASES, BUSINESS AGREEMENTS, AND RIGHTS-**
21 **OF-WAY INVOLVING ENERGY DEVELOPMENT**
22 **OR TRANSMISSION.**

23 “(a) IN GENERAL.—Notwithstanding any other pro-
24 vision of law—



1 “(1) an Indian or Indian tribe may enter into
2 a lease or business agreement for the purpose of en-
3 ergy development, including a lease or business
4 agreement for—

5 “(A) exploration for, extraction of, proc-
6 essing of, or other development of energy re-
7 sources; and

8 “(B) construction or operation of—

9 “(i) an electric generation, trans-
10 mission, or distribution facility located on
11 Indian land; or

12 “(ii) a facility to process or refine en-
13 ergy resources developed on Indian land;
14 and

15 “(2) a lease or business agreement described in
16 paragraph (1) shall not require the approval of the
17 Secretary if—

18 “(A) the lease or business agreement is ex-
19 ecuted under tribal regulations approved by the
20 Secretary under subsection (e); and

21 “(B) the term of the lease or business
22 agreement does not exceed 30 years.

23 “(b) RIGHTS-OF-WAY FOR PIPELINES OR ELECTRIC
24 TRANSMISSION OR DISTRIBUTION LINES.—An Indian
25 tribe may grant a right-of-way over the Indian land of the



1 Indian tribe for a pipeline or an electric transmission or
2 distribution line without specific approval by the Secretary
3 if—

4 “(1) the right-of-way is executed under and
5 complies with tribal regulations approved by the Sec-
6 retary under subsection (e);

7 “(2) the term of the right-of-way does not ex-
8 ceed 30 years; and

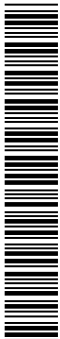
9 “(3) the pipeline or electric transmission or dis-
10 tribution line serves—

11 “(A) an electric generation, transmission,
12 or distribution facility located on Indian land;
13 or

14 “(B) a facility located on Indian land that
15 processes or refines renewable or nonrenewable
16 energy resources developed on Indian land.

17 “(c) RENEWALS.—A lease or business agreement en-
18 tered into or a right-of-way granted by an Indian tribe
19 under this section may be renewed at the discretion of the
20 Indian tribe, in accordance with this section.

21 “(d) VALIDITY.—No lease, business agreement, or
22 right-of-way under this section shall be valid unless the
23 lease, business agreement, or right-of-way is authorized in
24 accordance with tribal regulations approved by the Sec-
25 retary under subsection (e).



1 “(e) TRIBAL REGULATORY REQUIREMENTS.—

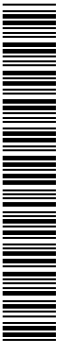
2 “(1) IN GENERAL.—An Indian tribe may sub-
3 mit to the Secretary for approval tribal regulations
4 governing leases, business agreements, and rights-of-
5 way under this section.

6 “(2) APPROVAL OR DISAPPROVAL.—

7 “(A) IN GENERAL.—Not later than 120
8 days after the date on which the Secretary re-
9 ceives tribal regulations submitted by an Indian
10 tribe under paragraph (1) (or such later date as
11 may be agreed to by the Secretary and the In-
12 dian tribe), the Secretary shall approve or dis-
13 approve the regulations.

14 “(B) CONDITIONS FOR APPROVAL.—The
15 Secretary shall approve tribal regulations sub-
16 mitted under paragraph (1) only if the regula-
17 tions include provisions that, with respect to a
18 lease, business agreement, or right-of-way
19 under this section—

20 “(i) ensure the acquisition of nec-
21 essary information from the applicant for
22 the lease, business agreement, or right-of-
23 way;



1 “(ii) address the term of the lease or
2 business agreement or the term of convey-
3 ance of the right-of-way;

4 “(iii) address amendments and renew-
5 als;

6 “(iv) address consideration for the
7 lease, business agreement, or right-of-way;

8 “(v) address technical or other rel-
9 evant requirements;

10 “(vi) establish requirements for envi-
11 ronmental review in accordance with sub-
12 paragraph (C);

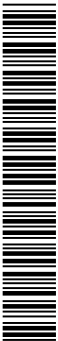
13 “(vii) ensure compliance with all ap-
14 plicable environmental laws;

15 “(viii) identify final approval author-
16 ity;

17 “(ix) provide for public notification of
18 final approvals; and

19 “(x) establish a process for consulta-
20 tion with any affected States concerning
21 potential off-reservation impacts associated
22 with the lease, business agreement, or
23 right-of-way.

24 “(C) ENVIRONMENTAL REVIEW PROC-
25 ESS.—Tribal regulations submitted under para-



graph (1) shall establish, and include provisions to ensure compliance with, an environmental review process that, with respect to a lease, business agreement, or right-of-way under this section, provides for—

“(i) the identification and evaluation of all significant environmental impacts (as compared with a no-action alternative);

“(ii) the identification of proposed mitigation;

“(iii) a process for ensuring that the public is informed of and has an opportunity to comment on any proposed lease, business agreement, or right-of-way before tribal approval of the lease, business agreement, or right-of-way (or any amendment to or renewal of a lease, business agreement, or right-of-way); and

“(iv) sufficient administrative support and technical capability to carry out the environmental review process.

“(3) PUBLIC PARTICIPATION.—The Secretary may provide notice and opportunity for public comment on tribal regulations submitted under paragraph (1).



1 “(4) DISAPPROVAL.—If the Secretary dis-
2 approves tribal regulations submitted by an Indian
3 tribe under paragraph (1), the Secretary shall—

4 “(A) notify the Indian tribe in writing of
5 the basis for the disapproval;

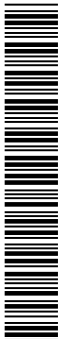
6 “(B) identify what changes or other ac-
7 tions are required to address the concerns of
8 the Secretary; and

9 “(C) provide the Indian tribe with an op-
10 portunity to revise and resubmit the regula-
11 tions.

12 “(5) EXECUTION OF LEASE OR BUSINESS
13 AGREEMENT OR GRANTING OF RIGHT-OF-WAY.—If
14 an Indian tribe executes a lease or business agree-
15 ment or grants a right-of-way in accordance with
16 tribal regulations approved under this subsection,
17 the Indian tribe shall provide to the Secretary—

18 “(A) a copy of the lease, business agree-
19 ment, or right-of-way document (including all
20 amendments to and renewals of the document);
21 and

22 “(B) in the case of tribal regulations or a
23 lease, business agreement, or right-of-way that
24 permits payment to be made directly to the In-
25 dian tribe, documentation of those payments



1 sufficient to enable the Secretary to discharge
2 the trust responsibility of the United States as
3 appropriate under applicable law.

4 “(6) LIABILITY.—The United States shall not
5 be liable for any loss or injury sustained by any
6 party (including an Indian tribe or any member of
7 an Indian tribe) to a lease, business agreement, or
8 right-of-way executed in accordance with tribal regu-
9 lations approved under this subsection.

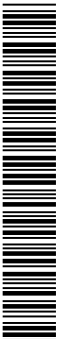
10 “(7) COMPLIANCE REVIEW.—

11 “(A) IN GENERAL.—After exhaustion of
12 tribal remedies, any person may submit to the
13 Secretary, in a timely manner, a petition to re-
14 view compliance of an Indian tribe with tribal
15 regulations of the Indian tribe approved under
16 this subsection.

17 “(B) ACTION BY SECRETARY.—The Sec-
18 retary shall—

19 “(i) not later than 60 days after the
20 date on which the Secretary receives a pe-
21 tition under subparagraph (A), review
22 compliance of an Indian tribe described in
23 subparagraph (A); and

24 “(ii) on completion of the review, if
25 the Secretary determines that an Indian



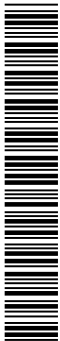
1 tribe is not in compliance with tribal regu-
2 lations approved under this subsection,
3 take such action as is necessary to compel
4 compliance, including—

5 “(I)(aa) rescinding a lease, busi-
6 ness agreement, or right-of-way under
7 this section; or

8 “(bb) suspending a lease, busi-
9 ness agreement, or right-of-way under
10 this section until an Indian tribe is in
11 compliance with tribal regulations;
12 and

13 “(II) rescinding approval of the
14 tribal regulations and reassuming the
15 responsibility for approval of leases,
16 business agreements, or rights-of-way
17 associated with an energy pipeline or
18 distribution line described in sub-
19 section (b).

20 “(C) COMPLIANCE.—If the Secretary seeks
21 to compel compliance of an Indian tribe with
22 tribal regulations under subparagraph (B)(ii),
23 the Secretary shall—



1 “(i) make a written determination
2 that describes the manner in which the
3 tribal regulations have been violated;

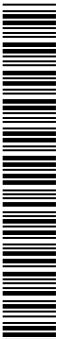
4 “(ii) provide the Indian tribe with a
5 written notice of the violation together
6 with the written determination; and

7 “(iii) before taking any action de-
8 scribed in subparagraph (B)(ii) or seeking
9 any other remedy, provide the Indian tribe
10 with a hearing and a reasonable oppor-
11 tunity to attain compliance with the tribal
12 regulations.

13 “(D) APPEAL.—An Indian tribe described
14 in subparagraph (C) shall retain all rights to
15 appeal as provided in regulations promulgated
16 by the Secretary.

17 “(f) AGREEMENTS.—

18 “(1) IN GENERAL.—Any agreement by an In-
19 dian tribe that relates to the development of an elec-
20 tric generation, transmission, or distribution facility,
21 or a facility to process or refine renewable or non-
22 renewable energy resources developed on Indian
23 land, shall not require the specific approval of the
24 Secretary under section 2103 of the Revised Stat-
25 utes (25 U.S.C. 81) if the activity that is the subject



1 of the agreement is carried out in accordance with
2 this section.

3 “(2) LIABILITY.—The United States shall not
4 be liable for any loss or injury sustained by any per-
5 son (including an Indian tribe or any member of an
6 Indian tribe) resulting from an action taken in per-
7 formance of an agreement entered into under this
8 subsection.

9 “(g) NO EFFECT ON OTHER LAW.—Nothing in this
10 section affects the application of any provision of—

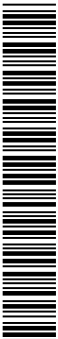
11 “(1) the Act of May 11, 1938 (commonly
12 known as the Indian Mineral Leasing Act of 1938;
13 25 U.S.C. 396a et seq.);

14 “(2) the Indian Mineral Development Act of
15 1982 (25 U.S.C. 2101 et seq.);

16 “(3) the Surface Mining Control and Reclama-
17 tion Act of 1977 (30 U.S.C. 1201 et seq.); or

18 “(4) any Federal environmental law.

19 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
20 are authorized to be appropriated such sums as are nec-
21 essary to carry out this section, to remain available until
22 expended.”.



1 **TITLE II—OIL AND GAS**

2 **SEC. 30201. PROGRAM ON OIL AND GAS ROYALTIES IN-**
3 **KIND.**

4 (a) **APPLICABILITY OF SECTION.**—Notwithstanding
5 any other provision of law, the provisions of this section
6 shall apply to all royalty in-kind accepted by the Secretary
7 of the Interior on or after the date of the enactment of
8 this Act under any Federal oil or gas lease or permit under
9 section 36 of the Mineral Leasing Act (30 U.S.C. 192),
10 section 27 of the Outer Continental Shelf Lands Act (43
11 U.S.C. 1353), or any other Federal law governing leasing
12 of Federal lands for oil and gas development.

13 (b) **TERMS AND CONDITIONS.**—All royalty accruing
14 to the United States shall, on the demand of the Secretary
15 of the Interior, be paid in oil or gas. If the Secretary of
16 the Interior makes such a demand, the following provi-
17 sions apply to such payment:

18 (1) Delivery by, or on behalf of, the lessee of
19 the royalty amount and quality due under the lease
20 satisfies the lessee's royalty obligation for the
21 amount delivered, except that transportation and
22 processing reimbursements paid to, or deductions
23 claimed by, the lessee shall be subject to review and
24 audit.



1 (2)(A) Royalty production shall be placed in
2 marketable condition by the lessee at no cost to the
3 United States.

4 (B) In this paragraph, the term “in marketable
5 condition” means sufficiently free from impurities
6 and otherwise in a condition that it will be accepted
7 by a purchaser under a sales contract typical of the
8 field or area in which the royalty production was
9 produced.

10 (3) The Secretary of the Interior may—

11 (A) sell or otherwise dispose of any royalty
12 production taken in-kind (other than oil or gas
13 transferred under section 27(a)(3) of the Outer
14 Continental Shelf Lands Act (43 U.S.C.
15 1353(a)(3)) for not less than the market price;
16 and

17 (B) transport or process (or both) any roy-
18 alty production taken in-kind.

19 (4) The Secretary of the Interior may, notwith-
20 standing section 3302 of title 31, United States
21 Code, retain and use a portion of the revenues from
22 the sale of oil and gas royalties taken in-kind that
23 otherwise would be deposited to miscellaneous re-
24 ceipts, without regard to fiscal year limitation, or
25 may use royalty production, to pay the cost of—



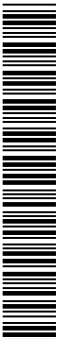
- 1 (A) transporting the royalty production;
- 2 (B) processing the royalty production;
- 3 (C) disposing of the royalty production; or
- 4 (D) any combination of transporting, proc-
- 5 essing, and disposing of the royalty production.

6 (5) The Secretary of the Interior may use a
7 portion of the revenues from the sale of oil royalties
8 taken in-kind, without fiscal year limitation, to pay
9 transportation costs, salaries, and other administra-
10 tive costs directly related to filling the Strategic Pe-
11 troleum Reserve.

12 (c) REIMBURSEMENT OF COST.—If the lessee, pursu-
13 ant to an agreement with the United States or as provided
14 in the lease, processes the royalty gas or delivers the roy-
15 alty oil or gas at a point not on or adjacent to the lease
16 area, the Secretary of the Interior shall—

17 (1) reimburse the lessee for the reasonable costs
18 of transportation (not including gathering) from the
19 lease to the point of delivery or for processing costs;
20 or

21 (2) at the discretion of the Secretary of the In-
22 terior, allow the lessee to deduct such transportation
23 or processing costs in reporting and paying royalties
24 in value for other Federal oil and gas leases.



1 (d) BENEFIT TO THE UNITED STATES REQUIRED.—

2 The Secretary of the Interior may receive oil or gas royal-
3 ties in-kind only if the Secretary determines that receiving
4 such royalties provides benefits to the United States great-
5 er than or equal to those likely to have been received had
6 royalties been taken in value.

7 (e) REPORT TO CONGRESS.—By June 30, 2004, the
8 Secretary of the Interior shall provide a report to the Con-
9 gress that describes actions taken to develop an organiza-
10 tion, business processes, and automated systems to sup-
11 port a full royalty in-kind capability to be used in tandem
12 with the royalty in value approach to managing Federal
13 oil and gas revenues.

14 (f) DEDUCTION OF EXPENSES.—

15 (1) IN GENERAL.—Before making payments
16 under section 35 of the Mineral Leasing Act (30
17 U.S.C. 191) or section 8(g) of the Outer Continental
18 Shelf Lands Act (43 U.S.C. 1337(g)) of revenues
19 derived from the sale of royalty production taken in-
20 kind from a lease, the Secretary of the Interior shall
21 deduct amounts paid or deducted under subsections
22 (b)(4) and (c), and shall deposit such amounts to
23 miscellaneous receipts.

24 (2) ACCOUNTING FOR DEDUCTIONS.—If the
25 Secretary of the Interior allows the lessee to deduct



1 transportation or processing costs under subsection
2 (c), the Secretary may not reduce any payments to
3 recipients of revenues derived from any other Fed-
4 eral oil and gas lease as a consequence of that de-
5 duction.

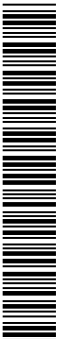
6 (g) CONSULTATION WITH STATES.—The Secretary
7 of the Interior—

8 (1) shall consult with a State before conducting
9 a royalty in-kind program under this title within the
10 State, and may delegate management of any portion
11 of the Federal royalty in-kind program to such State
12 except as otherwise prohibited by Federal law; and

13 (2) shall consult annually with any State from
14 which Federal oil or gas royalty is being taken in-
15 kind to ensure to the maximum extent practicable
16 that the royalty in-kind program provides revenues
17 to the State greater than or equal to those likely to
18 have been received had royalties been taken in-value.

19 (h) PROVISIONS FOR SMALL REFINERIES.—

20 (1) PREFERENCE.—If the Secretary of the In-
21 terior determines that sufficient supplies of crude oil
22 are not available in the open market to refineries not
23 having their own source of supply for crude oil, the
24 Secretary may grant preference to such refineries in
25 the sale of any royalty oil accruing or reserved to the



1 United States under Federal oil and gas leases
2 issued under any mineral leasing law, for processing
3 or use in such refineries at private sale at not less
4 than the market price.

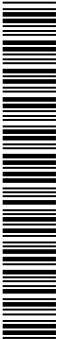
5 (2) PRORATION AMONG REFINERIES IN PRO-
6 Duction AREA.—In disposing of oil under this sub-
7 section, the Secretary of the Interior may, at the
8 discretion of the Secretary, prorate such oil among
9 such refineries in the area in which the oil is pro-
10 duced.

11 (i) DISPOSITION TO FEDERAL AGENCIES.—

12 (1) ONSHORE ROYALTY.—Any royalty oil or gas
13 taken by the Secretary of the Interior in-kind from
14 onshore oil and gas leases may be sold at not less
15 than the market price to any department or agency
16 of the United States.

17 (2) OFFSHORE ROYALTY.—Any royalty oil or
18 gas taken in-kind from Federal oil and gas leases on
19 the outer Continental Shelf may be disposed of only
20 under section 27 of the Outer Continental Shelf
21 Lands Act (43 U.S.C. 1353).

22 (j) PREFERENCE FOR FEDERAL LOW-INCOME EN-
23 ERGY ASSISTANCE PROGRAMS.—In disposing of royalty oil
24 or gas taken in-kind under this section, the Secretary may
25 grant a preference to any person, including any State or



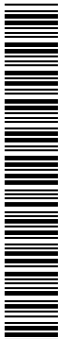
1 Federal agency, for the purpose of providing additional re-
2 sources to any Federal low-income energy assistance pro-
3 gram.

4 **SEC. 30202. CLARIFICATION OF FAIR MARKET RENTAL**
5 **VALUE DETERMINATIONS FOR PUBLIC**
6 **LANDS AND FOREST SERVICE RIGHTS-OF-**
7 **WAY.**

8 (a) LINEAR RIGHTS-OF-WAY UNDER FEDERAL
9 LAND POLICY AND MANAGEMENT ACT.—Section 504 of
10 the Federal Land Policy and Management Act of 1976
11 (43 U.S.C. 1764) is amended by adding at the end the
12 following:

13 “(k) DETERMINATION OF FAIR MARKET VALUE OF
14 LINEAR RIGHTS-OF-WAY.—(1) Effective upon the
15 issuance of the rules required by paragraph (2), for pur-
16 poses of subsection (g), the Secretary concerned shall de-
17 termine the fair market rental for the use of land encum-
18 bered by a linear right-of-way granted, issued, or renewed
19 under this title using the valuation method described in
20 paragraphs (2), (3), and (4).

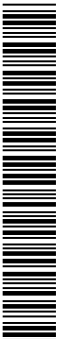
21 “(2) Not later than 1 year after the date of enact-
22 ment of this subsection, and in accordance with subsection
23 (k), the Secretary of the Interior shall amend section
24 2803.1–2 of title 43, Code of Federal Regulations, as in
25 effect on the date of enactment of this subsection, to revise



1 the per acre rental fee zone value schedule by State, coun-
2 ty, and type of linear right-of-way use to reflect current
3 values of land in each zone. The Secretary of Agriculture
4 shall make the same revisions for linear rights-of-way
5 granted, issued, or renewed under this title on National
6 Forest System lands.

7 “(3) The Secretary concerned shall update annually
8 the schedule revised under paragraph (2) by multiplying
9 the current year’s rental per acre by the annual change,
10 second quarter to the second quarter (June 30 to June
11 30) in the Gross National Product Implicit Price Deflator
12 Index published in the Survey of Current Business of the
13 Department of Commerce, Bureau of Economic Analysis.

14 “(4) Whenever the cumulative change in the index
15 referred to in paragraph (3) exceeds 30 percent, or the
16 change in the 3-year average of the 1-year Treasury inter-
17 est rate used to determine per acre rental fee zone values
18 exceeds plus or minus 50 percent, the Secretary concerned
19 shall conduct a review of the zones and rental per acre
20 figures to determine whether the value of Federal land has
21 differed sufficiently from the index referred to in para-
22 graph (3) to warrant a revision in the base zones and rent-
23 al per acre figures. If, as a result of the review, the Sec-
24 retary concerned determines that such a revision is war-



1 ranted, the Secretary concerned shall revise the base zones
2 and rental per acre figures accordingly.”.

3 (b) RIGHTS-OF-WAY UNDER MINERAL LEASING
4 ACT.—Section 28(l) of the Mineral Leasing Act (30
5 U.S.C. 185(l)) is amended by inserting before the period
6 at the end the following: “using the valuation method de-
7 scribed in section 2803.1–2 of title 43, Code of Federal
8 Regulations, as revised pursuant to section 504(k) of the
9 Federal Land Policy and Management Act of 1976 (43
10 U.S.C. 1764(k))”.

11 **SEC. 30203. USGS ESTIMATES OF OIL AND GAS RESOURCES**
12 **UNDERLYING ONSHORE FEDERAL LANDS.**

13 Section 604(a) of the Energy Act of 2000 (42 U.S.C.
14 6217) is amended—

15 (1) in subsection (a)(1)—

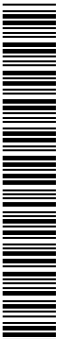
16 (A) by striking “reserve”; and

17 (B) by striking “and” after the semicolon;

18 (2) by striking subsection (a)(2) and inserting
19 the following:

20 “(2) the extent and nature of any restrictions
21 or impediments to the development of such re-
22 sources, including—

23 “(A) impediments to the timely granting of
24 leases; and



1 “(B) post-lease restrictions, impediments,
2 or delays on development, involving conditions
3 of approval, applications for permits to drill, or
4 processing of environmental permits; and

5 “(C) permits or restrictions associated with
6 transporting the resources for entry into com-
7 merce; and

8 “(3) the amount of resources not produced or
9 introduced into commerce because of those restric-
10 tions.”; and

11 (3) in subsection (b)—

12 (A) by striking “reserve” and inserting
13 “resource”; and

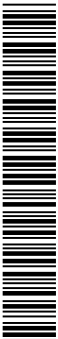
14 (B) by striking “publically” and inserting
15 “publicly”.

16 **SEC. 30204. ROYALTY INCENTIVES FOR CERTAIN OFF-**
17 **SHORE AREAS.**

18 (a) OUTER CONTINENTAL SHELF SHALLOW WATER
19 DEEP GAS ROYALTY RELIEF.—

20 (1) SHORT TITLE.—This subsection may be
21 cited as the “Outer Continental Shelf Shallow Water
22 Deep Gas Royalty Relief Act”.

23 (2) PURPOSES.—The purposes of this sub-
24 section are the following:



1 (A) To accelerate natural gas exploration,
2 development, and production from wells drilled
3 to deep depths on existing shallow water lease
4 tracts on the Outer Continental Shelf.

5 (B) To provide royalty incentives for the
6 production of natural gas from such tracts.

7 (C) To provide royalty incentives for devel-
8 opment of new technologies and the exploration
9 and development of the new frontier of deep
10 drilling on the Outer Continental Shelf.

11 (3) ROYALTY INCENTIVES UNDER EXISTING
12 LEASES FOR PRODUCTION OF DEEP GAS IN SHAL-
13 LOW WATER IN THE GULF OF MEXICO.—

14 (A) SUSPENSION OF ROYALTIES.—

15 (i) IN GENERAL.—The Secretary of
16 the Interior shall grant royalty relief for
17 natural gas produced under leases issued
18 under the Outer Continental Shelf Lands
19 Act (43 U.S.C. 1301 et seq.) prior to Jan-
20 uary 1, 2001, from deep wells on oil and
21 gas lease tracts in shallow waters of the
22 Gulf of Mexico located wholly west of 87
23 degrees, 30 minutes west longitude.



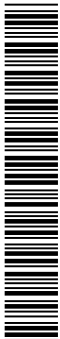
1 (ii) AMOUNT OF RELIEF.—The Sec-
2 retary shall grant royalty relief to eligible
3 leases in the following amounts:

4 (I) A suspension volume of at
5 least 15 billion cubic feet of natural
6 gas produced from a successful deep
7 well with a total vertical depth of
8 15,000 feet to 17,999 feet.

9 (II) A suspension volume of at
10 least 25 billion cubic feet of natural
11 gas produced from a successful deep
12 well with a total vertical depth of
13 18,000 feet to 19,999 feet.

14 (III) A suspension volume of at
15 least 35 billion cubic feet of natural
16 gas produced from any ultra deep
17 well.

18 (IV) A suspension volume of at
19 least 5 billion cubic feet of natural gas
20 per well for up to 2 unsuccessful wells
21 drilled to a depth of at least 18,000
22 feet on a lease tract that subsequently
23 produces natural gas from a success-
24 ful deep well.



1 (iii) LIMITATION.—The Secretary
2 shall not grant the royalty incentives out-
3 lined in this subparagraph if the average
4 annual NYMEX natural gas price exceeds
5 for one full calendar year the threshold
6 price of \$5 per million Btu, adjusted from
7 the year 2000 for inflation.

8 (B) DEFINITIONS.—For purposes of this
9 paragraph:

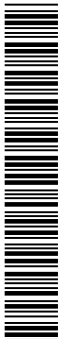
10 (i) The term “deep well” means a well
11 drilled with a perforated interval, the top
12 of which is at least 15,000 feet true ver-
13 tical depth below the datum at mean sea
14 level.

15 (ii) The term “eligible lease” means a
16 lease that—

17 (I) was issued in a lease sale held
18 before January 1, 2001;

19 (II) is for a tract located in the
20 Gulf of Mexico entirely in water
21 depths less than 200 meters on a
22 block wholly west of 87 degrees, 30
23 minutes west longitude; and

24 (III) is for a tract that has not
25 produced gas or oil from a well that



1 commenced drilling before March 26,
2 2003, with a completion 15,000 feet
3 true vertical depth below the datum at
4 mean sea level or deeper.

5 (iii) The term “shallow water” means
6 water less than 200 meters deep.

7 (iv) The term “ultra deep well” means
8 a well drilled with a perforated interval,
9 the top of which is at least 20,000 feet
10 true vertical depth below the datum at
11 mean sea level.

12 (4) SUNSET.—This subsection shall have no
13 force or effect after the end of the 5-year period be-
14 ginning on the date of the enactment of this Act.

15 (b) DEEP WATER AREAS.—Section 8(a) of the Outer
16 Continental Shelf Lands Act (43 U.S.C. 1337(a)) is
17 amended by adding at the end the following:

18 “(9)(A) For all tracts located in water depths of
19 greater than 400 meters in the Western and Central Plan-
20 ning Area of the Gulf of Mexico, including that portion
21 of the Eastern Planning Area of the Gulf of Mexico en-
22 compassing whole lease blocks lying west of 87 degrees,
23 30 minutes West longitude, and for all tracts in a frontier
24 area offshore Alaska, any oil or gas lease sale under this
25 Act occurring after the date of the enactment of this para-



1 graph and before July 1, 2007, shall use the bidding sys-
2 tem authorized in paragraph (1)(H), except that the sus-
3 pension of royalties shall be set at a volume of not less
4 than the following:

5 “(i) 5 million barrels of oil equivalent for each
6 lease in water depths of 400 to 800 meters.

7 “(ii) 9 million barrels of oil equivalent for each
8 lease in water depths of 800 to 1,600 meters.

9 ““(iii) 12 million barrels of oil equivalent for
10 each lease in water depths greater than 1,600 me-
11 ters.

12 “(B) For purposes of this paragraph, the term ‘fron-
13 tier area offshore Alaska’ includes, at a minimum, those
14 areas offshore Alaska with seasonal ice, long distances to
15 existing pipelines and ports, or a lack of production infra-
16 structure.”.

17 (c) APPLICATION OF OTHER EXISTING AUTHORITY
18 TO OFFSHORE ALASKA.—Section 8(a)(3)(B) of the Outer
19 Continental Shelf Lands Act (43 U.S.C. 1337(a)(3)(B))
20 is amended—

21 (1) by striking “and the portion” and inserting
22 “, the portion”; and

23 (2) by inserting after “longitude,” the fol-
24 lowing: “and in the planning areas offshore Alas-
25 ka,”.



1 (d) RELATIONSHIP TO EXISTING AUTHORITY.—Ex-
2 cept as expressly provided in this section, nothing in this
3 section is intended to limit the authority of the Secretary
4 of the Interior under the Outer Continental Shelf Lands
5 Act (43 U.S.C. 1331 et seq.) to provide royalty suspen-
6 sion.

7 (e) SAVINGS CLAUSE.—Nothing in this section shall
8 be construed to affect any offshore preleasing, leasing, or
9 development moratorium, including any moratorium appli-
10 cable to the Eastern Planning Area of the Gulf of Mexico
11 located off the Gulf Coast of Florida.

12 **SEC. 30205. MARGINAL PROPERTY PRODUCTION INCEN-**
13 **TIVES.**

14 (a) PURPOSE.—The purpose of this section is to pro-
15 vide to independent producers incentives for extended pro-
16 duction from Federal oil and gas leases that are still pro-
17 ducible but approaching abandonment due to economic
18 factors.

19 (b) MARGINAL PROPERTY DEFINED.—

20 (1) IN GENERAL.—Until such time as the Sec-
21 retary of the Interior promulgates rules under sub-
22 section (f) that prescribe a different definition, for
23 purposes of the royalty relief granted under this sec-
24 tion the term “marginal property” means an on-
25 shore unit, communitization agreement, or lease not



1 within a unit or communitization agreement, that
2 produces on average the combined equivalent of less
3 than 15 barrels of oil per well per day or 90 million
4 British thermal units of gas per well per day.

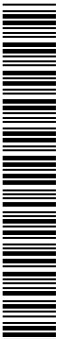
5 (2) CALCULATION OF AVERAGE PER WELL PRO-
6 Duction.—In calculating the average per well pro-
7 duction under paragraph (1), the lessee and the Sec-
8 retary shall—

9 (A) include those wells that produce more
10 than half the days in the three most recent pro-
11 duction months; and

12 (B) calculate the average over the three
13 most recent production months.

14 (c) CONDITIONS FOR REDUCTION OF ROYALTY
15 RATE.—Until such time as the Secretary of the Interior
16 promulgates rules under subsection (f) that prescribe dif-
17 ferent thresholds or standards—

18 (1) the Secretary shall, upon request by the op-
19 erator of a marginal property who is an independent
20 producer, reduce the royalty rate on oil production
21 from the marginal property as prescribed in sub-
22 section (d) when the spot price of West Texas Inter-
23 mediate crude oil at Cushing, Oklahoma, is, on aver-
24 age, less than \$15 per barrel for 90 consecutive
25 trading days; and



1 (2) the Secretary shall, upon request by the op-
2 erator of a marginal property who is an independent
3 producer, reduce the royalty rate on gas production
4 from the marginal property to the rate prescribed in
5 subsection (d) when the spot price of natural gas de-
6 livered at Henry Hub, Louisiana, is, on average, less
7 than \$2 per million British thermal units for 90 con-
8 secutive trading days.

9 (d) REDUCED ROYALTY RATE.—

10 (1) IN GENERAL.—The reduced royalty rate
11 under this subsection shall be the lesser of—

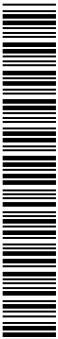
12 (A) 5 percent; or

13 (B) the applicable rate under any other
14 statutory or regulatory royalty relief provision
15 that applies to the affected production.

16 (2) EFFECTIVE DATE.—The reduced royalty
17 rate under this subsection shall be effective on the
18 first day of the production month following the date
19 on which the applicable price standard prescribed in
20 subsection (c) is met.

21 (e) TERMINATION OF REDUCED ROYALTY RATE.—

22 A royalty rate prescribed in subsection (d)(1) shall
23 terminate—



1 (1) for oil production from a marginal property,
2 on the first day of the production month following
3 the date on which—

4 (A) the spot price of West Texas Inter-
5 mediate crude oil at Cushing, Oklahoma, on av-
6 erage, exceeds \$15 per barrel for 90 consecutive
7 trading days, or

8 (B) the property no longer qualifies as a
9 marginal property under subsection (b); and

10 (2) for gas production from a marginal prop-
11 erty, on the first day of the production month fol-
12 lowing the date on which—

13 (A) the spot price of natural gas delivered
14 at Henry Hub, Louisiana, on average, exceeds
15 \$2 per million British thermal units for 90 con-
16 secutive trading days, or

17 (B) the property no longer qualifies as a
18 marginal property under subsection (b).

19 (f) RULES PRESCRIBING DIFFERENT RELIEF.—

20 (1) IN GENERAL.—The Secretary of the Inte-
21 rior, after consultation with the Secretary of Energy,
22 may by rule prescribe different parameters, stand-
23 ards, and requirements for, and a different degree or
24 extent of, royalty relief for marginal properties in



1 lieu of those prescribed in subsections (b) through
2 (d).

3 (2) MARGINAL PROPERTIES.—The Secretary of
4 the Interior, after consultation with the Secretary of
5 Energy, and within 1 year after the date of enact-
6 ment of this Act, shall—

7 (A) by rule prescribe standards and re-
8 quirements for, and the extent of royalty relief
9 for, marginal properties for oil and gas leases
10 on the outer Continental Shelf; and

11 (B) by rule define what constitutes a mar-
12 ginal property on the outer Continental Shelf
13 for purposes of this section.

14 (3) CONSIDERATIONS.—In promulgating rules
15 under this subsection, the Secretary of the Interior
16 may consider—

17 (A) oil and gas prices and market trends;

18 (B) production costs;

19 (C) abandonment costs;

20 (D) Federal and State tax provisions and
21 their effects on production economics;

22 (E) other royalty relief programs;

23 (F) regional differences in average well-
24 head prices;

25 (G) national energy security issues; and



1 (H) other relevant matters.

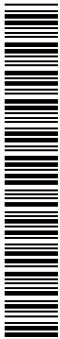
2 (g) SAVINGS PROVISION.—Nothing in this section
3 shall prevent a lessee from receiving royalty relief or a roy-
4 alty reduction pursuant to any other law or regulation that
5 provides more relief than the amounts provided by this
6 section.

7 (h) INDEPENDENT PRODUCER DEFINED.—In this
8 section the term “independent producer” means a person
9 who is not an integrated oil company, as that term is de-
10 fined in section 219(b)(4) of the Internal Revenue Code
11 of 1986 (26 U.S.C. 291(b)(4)).

12 **SEC. 30206. FEDERAL ONSHORE OIL AND GAS LEASING AND**
13 **PERMITTING PRACTICES.**

14 (a) REVIEW OF ONSHORE OIL AND GAS LEASING
15 PRACTICES.—The Secretary of the Interior, in cooperation
16 with the Secretary of Agriculture with respect to National
17 Forest System lands under the jurisdiction of the Depart-
18 ment of Agriculture, shall perform an internal review of
19 Federal onshore oil and gas leasing and permitting prac-
20 tices. The review shall include the following:

21 (1) The process by which Federal land man-
22 agers accept or reject an offer to lease, including the
23 timeframes in which such offers are acted upon, and
24 any recommendations for improving and expediting
25 the process.

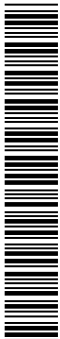


1 (2) The process for considering applications for
2 permits to drill, including the timeframes in which
3 such applications are considered, and any rec-
4 ommendations for improving and expediting the
5 process.

6 (3) The process for considering surface use
7 plans of operation, including the timeframes in
8 which such plans are considered, and any rec-
9 ommendations for improving and expediting the
10 process.

11 (4) The process for administrative appeal of de-
12 cisions or orders of officers or employees of the Bu-
13 reau of Land Management with respect to a Federal
14 oil or gas lease, including the timeframes in which
15 such appeals are heard and decided, and any rec-
16 ommendations for improving and expediting the
17 process.

18 (5) The process by which Federal land man-
19 agers identify stipulations to address site-specific
20 concerns and conditions, including those relating to
21 the environment and resource use conflicts, whether
22 stipulations are effective in addressing resource val-
23 ues, and any recommendations for expediting and
24 improving the identification and effectiveness of stip-
25 ulations.



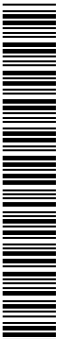
(6) The process by which the Federal land management agencies coordinate planning and analysis with planning of Federal, State, and local agencies having jurisdiction over adjacent areas and other land uses, and any recommendations for improving and expediting the process.

(7) The documentation provided to lease applicants and lessees with respect to determinations to reject lease applications or to require modification of proposed surface use plans of operation and recommendations regarding improvement of such documentation to more clearly set forth the basis for the decision.

(b) REPORT.—The Secretaries shall report to the Committee on Resources of the House of Representatives and to the Committee on Energy and Natural Resources of the Senate no later than 1 year after the date of the enactment of this Act, summarizing the findings of their respective reviews undertaken pursuant to this section and the actions they have taken or plan to take to improve the Federal onshore oil and gas leasing program.

22 SEC. 30207. MANAGEMENT OF FEDERAL OIL AND GAS LEAS-
23 ING PROGRAMS.

24 (a) TIMELY ACTION ON LEASES AND PERMITS.—To
25 ensure timely action on oil and gas leases and applications



1 for permits to drill on lands otherwise available for leasing,
2 the Secretary of the Interior shall—

3 (1) ensure expeditious compliance with the re-
4 quirements of section 102(2)(C) of the National En-
5 vironmental Policy Act of 1969 (42 U.S.C.
6 4332(2)(C));

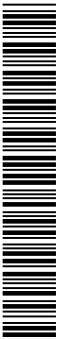
7 (2) improve consultation and coordination with
8 the States and the public; and

9 (3) improve the collection, storage, and retrieval
10 of information related to such leasing activities.

11 (b) BEST MANAGEMENT PRACTICES.—

12 (1) IN GENERAL.—Within 18 months after the
13 date of enactment of this Act, the Secretary of the
14 Interior shall develop and implement best manage-
15 ment practices to improve the administration of the
16 onshore oil and gas leasing program pursuant to the
17 Mineral Leasing Act (30 U.S.C. 181, et seq.) and
18 ensure timely action on oil and gas leases and appli-
19 cations for permits to drill on lands otherwise avail-
20 able for leasing.

21 (2) CONSIDERATION AND CONSULTATION.—In
22 developing such best management practices the Sec-
23 retary shall consider the recommendations resulting
24 from the review under section 30206.



1 (3) REGULATIONS.—Within 180 days after the
2 development of best management practices under
3 paragraph (1), the Secretary shall publish for public
4 comment proposed regulations that set forth specific
5 timeframes for processing leases and applications in
6 accordance with those practices, including deadlines
7 for—

8 (A) approving or disapproving—

9 (i) resource management plans and
10 related documents;

11 (ii) lease applications;

12 (iii) applications for permits to drill;

13 and

14 (iv) surface use plans; and

15 (B) related administrative appeals.

16 **SEC. 30208. CONSULTATION REGARDING OIL AND GAS**
17 **LEASING ON PUBLIC LANDS.**

18 (a) IN GENERAL.—Not later than six months after
19 the date of enactment of this Act, the Secretary of the
20 Interior and the Secretary of Agriculture shall enter into,
21 and submit to the Congress, a memorandum of under-
22 standing in accordance with this section regarding oil and
23 gas leasing on public lands within the jurisdiction of the
24 Secretary of the Interior and National Forest System



1 lands within the jurisdiction of the Secretary of Agri-
2 culture.

3 (b) CONTENTS.—The memorandum of understanding
4 shall include provisions that—

5 (1) establish an administrative procedure for
6 timely processing of oil and gas lease applications,
7 including lines of authority, steps in application
8 processing, and timeframes for application proc-
9 essing;

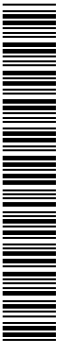
10 (2) establish an administrative procedure for
11 timely processing of surface use plans of operation
12 and applications for permits to drill, including lines
13 of authority and steps for processing such plans and
14 applications within 30 days after receipt by the Sec-
15 retary concerned;

16 (3) provide for coordination of planning relating
17 to oil and gas development;

18 (4) provide for coordination of environmental
19 compliance efforts to avoid duplication of effort;

20 (5) provide for coordination of use of lease stip-
21 ulations to achieve consistency;

22 (6) ensure that lease stipulations are only as re-
23 strictive as is necessary to protect the resource for
24 which the stipulations are applied; and



1 (7) establish reasonable timeframes to process
2 applications for permits to drill.

3 (c) DATA RETRIEVAL SYSTEM.—

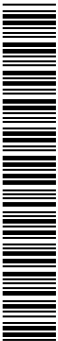
4 (1) IN GENERAL.—The Secretary of the Inte-
5 rior and the Secretary of Agriculture shall establish
6 a joint data retrieval system that is capable of track-
7 ing applications and formal requests made pursuant
8 to procedures of the Federal onshore oil and gas
9 leasing program and providing information as to the
10 status of such applications and requests within the
11 Department of the Interior and the Department of
12 Agriculture.

13 (2) AVAILABILITY OF DATA.—Data in the joint
14 data retrieval system shall be made available to the
15 public, consistent with applicable laws and regula-
16 tions regarding confidentiality and proprietary data.

17 (3) RESOURCE MAPPING.—The Secretary of the
18 Interior and the Secretary of Agriculture shall estab-
19 lish a joint GIS mapping system for use in tracking
20 surface resource values to aid in resource manage-
21 ment and processing of surface use plans of oper-
22 ation and applications for permits to drill.

23 **SEC. 30209. OIL AND GAS LEASE ACREAGE LIMITATIONS.**

24 Section 27(d)(1) of the Mineral Leasing Act (30
25 U.S.C. 184(d)(1)) is amended by inserting after “acreage



1 held in special tar sand areas” the following: “as well as
2 acreage under any lease any portion of which has been
3 committed to a federally approved unit or cooperative plan
4 or communitization agreement, or for which royalty, in-
5 cluding compensatory royalty or royalty in kind, was paid
6 in the preceding calendar year,”.

7 **SEC. 30210. FEDERAL REIMBURSEMENT FOR ORPHAN WELL**
8 **RECLAMATION.**

9 (a) DEFINITIONS.—In this section:

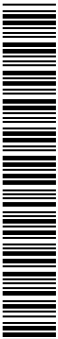
10 (1) LESSEE.—The term “lessee” means a per-
11 son who owns a lease, working interest, or operating
12 rights in an oil and gas lease on lands owned by the
13 United States.

14 (2) ORPHAN WELL.—The term “orphan well”
15 means any oil or gas well—

16 (A) that is located on lands owned by the
17 United States;

18 (B) that requires plugging and abandon-
19 ment under the regulations of the Department
20 of the Interior; and

21 (C) for which the Secretary is unable to
22 find any person who is legally responsible and
23 has the financial resources to reclaim the well.



1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of the Interior or the Secretary’s des-
3 ignee.

4 (b) REIMBURSEMENT FOR RECLAIMING WELLS ON
5 LANDS SUBJECT TO NEW LEASES.—If the Secretary
6 issues a new oil and gas lease on federally owned lands
7 on which 1 or more orphaned wells are located, the
8 Secretary—

9 (1) may require, as a condition of the lease,
10 that the lessee reclaim pursuant to the Secretary’s
11 standards all orphaned wells on the land leased; and

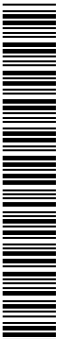
12 (2) shall provide to the lessee a credit against
13 royalties due under the lease for 100 percent of the
14 reasonable actual costs of reclaiming the orphaned
15 well pursuant to such requirement.

16 (c) ROYALTY CREDITS FOR RECLAIMING ORPHAN
17 WELLS ON OTHER LANDS.—The Secretary—

18 (1) may authorize any lessee under an oil and
19 gas lease on federally owned lands to reclaim pursu-
20 ant to the Secretary’s standards—

21 (A) an orphan well on unleased federally
22 owned lands or unleased lands on the outer
23 Continental Shelf; or

24 (B) an orphan well located on an existing
25 lease on federally owned lands or the outer Con-



1 tinental Shelf for the reclamation of which the
2 lessee is not legally responsible; and

3 (2) shall provide to the lessee a credit against
4 royalties under the lessee's lease of 115 percent of
5 the reasonable actual costs of reclaiming the orphan
6 well.

7 (d) REPORTING AND APPLICATION OF ROYALTY
8 CREDITS.—

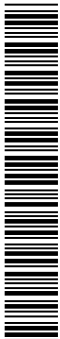
9 (1) IN GENERAL.—Any credit against royalties
10 required to be provided to a lessee under this section
11 may be reported against royalties on production
12 from any oil and gas lease on federally owned lands,
13 or on the outer Continental Shelf, administered by
14 the Secretary, that are owed by—

15 (A) a lessee;

16 (B) any wholly owned affiliate or wholly
17 commonly owned affiliate of a lessee; or

18 (C) any wholly owned affiliate or wholly
19 commonly owned affiliate of the person con-
20 ducting the reclamation work on an orphan
21 well.

22 (2) REPORTING BY DESIGNEES.—Credits
23 against royalties required to be provided to a lessee
24 under this section may be reported by a designee (as
25 defined in section 3 of the Federal Oil and Gas Roy-



1 alty Simplification and Fairness Act of 1982 (30
2 U.S.C. 1702)), when the designee reports and pays
3 royalty on behalf of the lessee.

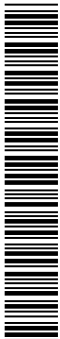
4 (e) IMPLEMENTING REGULATIONS.—The Secretary
5 may promulgate such regulations as may be necessary and
6 appropriate to implement this section.

7 (f) PROTECTION AGAINST LIABILITY.—No person
8 who reclaims an orphan well under this section shall be
9 liable under any provision of Federal law for any costs
10 or damages as a result of action taken or omitted in the
11 course of carrying out a reclamation plan approved by the
12 Secretary under this section. This section shall not pre-
13 clude liability for costs or damages as a result of a gross
14 negligence or intentional misconduct by the person car-
15 rying out an approved reclamation plan. For purposes of
16 the preceding sentence, reckless, willful, or wanton mis-
17 conduct shall constitute gross negligence.

18 **SEC. 30211. PRESERVATION OF GEOLOGICAL AND GEO-**
19 **PHYSICAL DATA.**

20 (a) SHORT TITLE.—This section may be cited as the
21 “National Geological and Geophysical Data Preservation
22 Program Act of 2003”.

23 (b) PROGRAM.—The Secretary of the Interior shall
24 carry out a National Geological and Geophysical Data
25 Preservation Program in accordance with this section—



1 (1) to archive geologic, geophysical, and engi-
2 neering data, maps, well logs, and samples;

3 (2) to provide a national catalog of such archi-
4 val material; and

5 (3) to provide technical and financial assistance
6 related to the archival material.

7 (c) PLAN.—Within 1 year after the date of the enact-
8 ment of this Act, the Secretary shall develop and submit
9 to the Committee on Resources of the House of Represent-
10 atives and the Committee on Energy and Natural Re-
11 sources of the Senate a plan for the implementation of
12 the Program.

13 (d) DATA ARCHIVE SYSTEM.—

14 (1) ESTABLISHMENT.—The Secretary shall es-
15 tablish, as a component of the Program, a data ar-
16 chive system, which shall provide for the storage,
17 preservation, and archiving of subsurface, surface,
18 geological, geophysical and engineering data and
19 samples. The Secretary, in consultation with the Ad-
20 visory Committee, shall develop guidelines relating to
21 the data archive system, including the types of data
22 and samples to be preserved.

23 (2) SYSTEM COMPONENTS.—The system shall
24 be comprised of State agencies and agencies within
25 the Department of the Interior that maintain geo-



1 logical and geophysical data and samples that are
2 designated by the Secretary in accordance with this
3 subsection. The Program shall provide for the stor-
4 age of data and samples through data repositories
5 operated by such agencies.

6 (3) LIMITATION OF DESIGNATION.—The Sec-
7 retary may not designate a State agency as a com-
8 ponent of the data archive system unless it is the
9 agency that acts as the geological survey in the
10 State.

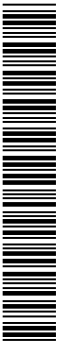
11 (4) DATA FROM FEDERAL LANDS.—The data
12 archive system shall provide for the archiving of rel-
13 evant subsurface data and samples obtained from
14 Federal lands—

15 (A) in the most appropriate repository des-
16 ignated under paragraph (2), with preference
17 being given to archiving data in the State in
18 which the data was collected; and

19 (B) consistent with all applicable law and
20 requirements relating to confidentiality and pro-
21 prietary data.

22 (e) NATIONAL CATALOG.—

23 (1) IN GENERAL.—As soon as practicable after
24 the date of the enactment of this section, the Sec-



1 retary shall develop and maintain, as a component
2 of the Program, a national catalog that identifies—

3 (A) data and samples available in the data
4 archive system established under subsection (d);

5 (B) the repository for particular material
6 in such system; and

7 (C) the means of accessing the material.

8 (2) AVAILABILITY.—The Secretary shall make
9 the national catalog accessible to the public on the
10 site of the Survey on the World Wide Web, con-
11 sistent with all applicable requirements related to
12 confidentiality and proprietary data.

13 (f) ADVISORY COMMITTEE.—

14 (1) IN GENERAL.—The Advisory Committee
15 shall advise the Secretary on planning and imple-
16 mentation of the Program.

17 (2) NEW DUTIES.—In addition to its duties
18 under the National Geologic Mapping Act of 1992
19 (43 U.S.C. 31b et seq.), the Advisory Committee
20 shall perform the following duties:

21 (A) Advise the Secretary on developing
22 guidelines and procedures for providing assist-
23 ance for facilities in subsection (g)(1).



1 (B) Review and critique the draft imple-
2 mentation plan prepared by the Secretary pur-
3 suant to subsection (c).

4 (C) Identify useful studies of data archived
5 under the Program that will advance under-
6 standing of the Nation's energy and mineral re-
7 sources, geologic hazards, and engineering geol-
8 ogy.

9 (D) Review the progress of the Program in
10 archiving significant data and preventing the
11 loss of such data, and the scientific progress of
12 the studies funded under the Program.

13 (E) Include in the annual report to the
14 Secretary required under section 5(b)(3) of the
15 National Geologic Mapping Act of 1992 (43
16 U.S.C. 31d(b)(3)) an evaluation of the progress
17 of the Program toward fulfilling the purposes of
18 the Program under subsection (b).

19 (g) FINANCIAL ASSISTANCE.—

20 (1) ARCHIVE FACILITIES.—Subject to the avail-
21 ability of appropriations, the Secretary shall provide
22 financial assistance to a State agency that is des-
23 ignated under subsection (d)(2), for providing facili-
24 ties to archive energy material.



1 (2) STUDIES.—Subject to the availability of ap-
2 propriations, the Secretary shall provide financial as-
3 sistance to any State agency designated under sub-
4 section (d)(2) for studies that enhance under-
5 standing, interpretation, and use of materials
6 archived in the data archive system established
7 under subsection (d).

8 (3) FEDERAL SHARE.—The Federal share of
9 the cost of an activity carried out with assistance
10 under this subsection shall be no more than 50 per-
11 cent of the total cost of that activity.

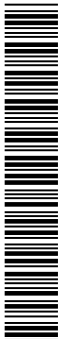
12 (4) PRIVATE CONTRIBUTIONS.—The Secretary
13 shall apply to the non-Federal share of the cost of
14 an activity carried out with assistance under this
15 subsection the value of private contributions of prop-
16 erty and services used for that activity.

17 (h) REPORT.—The Secretary shall include in each re-
18 port under section 8 of the National Geologic Mapping Act
19 of 1992 (43 U.S.C. 31g)—

20 (1) a description of the status of the Program;

21 (2) an evaluation of the progress achieved in
22 developing the Program during the period covered by
23 the report; and

24 (3) any recommendations for legislative or other
25 action the Secretary considers necessary and appro-



1 piate to fulfill the purposes of the Program under
2 subsection (b).

3 (i) DEFINITIONS.—As used in this section:

4 (1) ADVISORY COMMITTEE.—The term “Advi-
5 sory Committee” means the advisory committee es-
6 tablished under section 5 of the National Geologic
7 Mapping Act of 1992 (43 U.S.C. 31d).

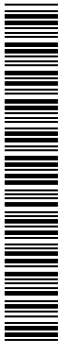
8 (2) SECRETARY.—The term “Secretary” means
9 the Secretary of the Interior acting through the Di-
10 rector of the United States Geological Survey.

11 (3) PROGRAM.—The term “Program” means
12 the National Energy Data Preservation Program
13 carried out under this section.

14 (4) SURVEY.—The term “Survey” means the
15 United States Geological Survey.

16 (j) MAINTENANCE OF STATE EFFORT.—It is the in-
17 tent of the Congress that the States not use this section
18 as an opportunity to reduce State resources applied to the
19 activities that are the subject of the Program.

20 (k) AUTHORIZATION OF APPROPRIATIONS.—There is
21 authorized to be appropriated to the Secretary
22 \$30,000,000 for each of fiscal years 2004 through 2008
23 for carrying out this section.



1 **SEC. 30212. COMPLIANCE WITH EXECUTIVE ORDER 13211;**
2 **ACTIONS CONCERNING REGULATIONS THAT**
3 **SIGNIFICANTLY AFFECT ENERGY SUPPLY,**
4 **DISTRIBUTION, OR USE.**

5 (a) REQUIREMENT.—The Secretary of the Interior
6 shall—

7 (1) require that before any person takes any ac-
8 tion that could have a significant adverse effect on
9 the supply of domestic energy resources from Fed-
10 eral public lands, the person shall comply with Exec-
11 utive Order 13211; and

12 (2) within 180 days after the date of the enact-
13 ment of this Act, publish guidance for purposes of
14 this section describing what constitutes a significant
15 adverse effect on the supply of domestic energy re-
16 sources under Executive Order 13211.

17 (b) MOU.—The Secretary of the Interior and the
18 Secretary of Agriculture shall include in the memorandum
19 of understanding under section 30208 provisions regard-
20 ing implementation of subsection (a)(1) of this section.

21 **SEC. 30213. REIMBURSEMENT FOR COSTS OF NEPA ANAL-**
22 **YSES, DOCUMENTATION, AND STUDIES.**

23 (a) IN GENERAL.—The Mineral Leasing Act (30
24 U.S.C. 181 et seq.) is amended by inserting after section
25 37 the following:



1 “REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES,
2 DOCUMENTATION, AND STUDIES

3 “SEC. 38. (a) IN GENERAL.—The Secretary of the
4 Interior may, through royalty credits, reimburse a person
5 who is a lessee, operator, operating rights owner, or appli-
6 cant for any lease under this Act for reasonable amounts
7 paid by the person for preparation by the Secretary (or
8 a contractor or other person selected by the Secretary) of
9 any project-level analysis, documentation, or related study
10 required under the National Environmental Policy Act of
11 1969 (42 U.S.C. 4321 et seq.) with respect to the lease.

12 “(b) CONDITIONS.—The Secretary may provide reim-
13 bursement under subsection (b) only if—

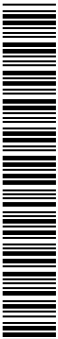
14 “(1) adequate funding to enable the Secretary
15 to timely prepare the analysis, documentation, or re-
16 lated study is not appropriated;

17 “(2) the person paid the costs voluntarily; and

18 “(3) the person maintains records of its costs
19 in accordance with regulations prescribed by the
20 Secretary.”.

21 (b) APPLICATION.—The amendment made by this
22 section shall apply with respect to any lease entered into
23 before, on, or after the date of the enactment of this Act.

24 (c) DEADLINE FOR REGULATIONS.—The Secretary of
25 the Interior shall issue regulations implementing the



1 amendment made by this section by not later than 90 days
2 after the date of the enactment of this Act.

3 **SEC. 30214. ALTERNATE ENERGY-RELATED USES ON THE**
4 **OUTER CONTINENTAL SHELF.**

5 (a) PURPOSES.—The purposes of this section are as
6 follows:

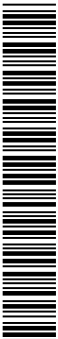
7 (1) To protect the economic and land use inter-
8 ests of the Federal Government in the management
9 of the Outer Continental Shelf for energy-related
10 and certain other purposes.

11 (2) To provide an administrative framework for
12 the oversight and management of energy-related ac-
13 tivities on the Outer Continental Shelf, consistent
14 with other applicable laws.

15 (3) To expedite projects to increase the produc-
16 tion, transmission, or conservation of energy on the
17 Outer Continental Shelf.

18 (4) To provide for interagency coordination in
19 the siting and permitting of energy-related activities
20 on the Outer Continental Shelf.

21 (5) To ensure that energy-related activities on
22 the Outer Continental Shelf are conducted in a man-
23 ner that provides for safety, protection of the envi-
24 ronment, prevention of waste, conservation of nat-



1 ural resources, protection of correlative rights, and
2 protection of national security interests.

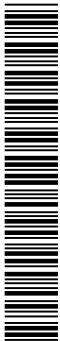
3 (6) To authorize alternate uses of existing
4 structures and facilities previously permitted under
5 the Outer Continental Shelf Lands Act (43 U.S.C.
6 1331 note).

7 (7) To ensure that the Federal Government re-
8 ceives a fair return for any easement or right-of-way
9 granted under section 8(p) of the Outer Continental
10 Shelf Lands Act.

11 (b) AMENDMENT TO OUTER CONTINENTAL SHELF
12 LANDS ACT.—Section 8 of the Outer Continental Shelf
13 Lands Act (43 U.S.C. 1337) is amended by adding at the
14 end the following new subsection:

15 “(p) EASEMENTS OR RIGHTS-OF-WAY FOR ENERGY
16 AND RELATED PURPOSES.—

17 “(1) The Secretary, in consultation with the
18 Secretary of the Department in which the Coast
19 Guard is operating and other relevant departments
20 and agencies of the Federal Government, may grant
21 an easement or right-of-way on the Outer Conti-
22 nental Shelf for activities not otherwise authorized
23 in this Act, the Deepwater Port Act of 1974 (33
24 U.S.C. 1501 et seq.), or the Ocean Thermal Energy



1 Conversion Act of 1980 (42 U.S.C. 9101 et seq.), or
2 other applicable law when such activities—

3 “(A) support exploration, development,
4 production, transportation, or storage of oil,
5 natural gas, or other minerals;

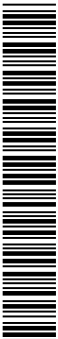
6 “(B) produce or support production, trans-
7 portation, or transmission of energy from
8 sources other than oil and gas; or

9 “(C) use facilities currently or previously
10 used for activities authorized under this Act.

11 “(2)(A) The Secretary shall establish reason-
12 able forms of annual or one-time payments for any
13 easement or right-of-way granted under this sub-
14 section. Such payments shall not be assessed on the
15 basis of throughput or production. The Secretary
16 may establish fees, rentals, bonus, or other payments
17 by rule or by agreement with the party to whom the
18 easement or right-of-way is granted.

19 “(B) Before exercising the authority granted
20 under this subsection, the Secretary shall consult
21 with the Secretary of Defense and other appropriate
22 agencies concerning issues related to national secu-
23 rity and navigational obstruction.

24 “(C) The Secretary is authorized to issue an
25 easement or right-of-way for energy and related pur-



1 poses as described in paragraph (1) on a competitive
2 or noncompetitive basis. In determining whether
3 such easement or right-of-way shall be granted com-
4 petitively or noncompetitively, the Secretary shall
5 consider such factors as prevention of waste and
6 conservation of natural resources, economic viability
7 of an energy project, protection of the environment,
8 national interest, national security, human safety,
9 protection of correlative rights, and potential return
10 for the easement or right-of-way.

11 “(3) The Secretary, in consultation with the
12 Secretary of the Department in which the Coast
13 Guard is operating and other relevant departments
14 and agencies of the Federal Government and af-
15 fected States, shall prescribe any necessary regula-
16 tions to assure safety, protection of the environment,
17 prevention of waste, and conservation of the natural
18 resources of the Outer Continental Shelf, protection
19 of national security interests, and protection of cor-
20 relative rights therein.

21 “(4) The Secretary shall require the holder of
22 an easement or right-of-way granted under this sub-
23 section to furnish a surety bond or other form of se-
24 curity, as prescribed by the Secretary, and to comply
25 with such other requirements as the Secretary may



1 deem necessary to protect the interests of the United
2 States.

3 “(5) Nothing in this subsection shall be con-
4 strued to displace, supersede, limit, or modify the ju-
5 risdiction, responsibility, or authority of any Federal
6 or State agency under any other Federal law.

7 “(6) This subsection shall not apply to any area
8 on the Outer Continental Shelf designated as a Na-
9 tional Marine Sanctuary.”.

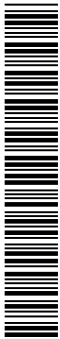
10 (c) CONFORMING AMENDMENT.—The text of the
11 heading for section 8 of the Outer Continental Shelf
12 Lands Act is amended to read as follows: “LEASES, EASE-
13 MENTS, AND RIGHTS-OF-WAY ON THE OUTER CONTI-
14 NENTAL SHELF.”.

15 **SEC. 30215. DEADLINE FOR DECISION ON APPEALS OF CON-**
16 **SISTENCY DETERMINATIONS UNDER THE**
17 **COASTAL ZONE MANAGEMENT ACT OF 1972.**

18 (a) IN GENERAL.—Section 319 of the Coastal Zone
19 Management Act of 1972 (16 U.S.C. 1465) is amended
20 to read as follows:

21 “APPEALS TO THE SECRETARY

22 “SEC. 319. (a) NOTICE.—The Secretary shall publish
23 an initial notice in the Federal Register within 30 days
24 after the date of the filing of any appeal to the Secretary
25 of a consistency determination under section 307.



1 “(b) CLOSURE OF RECORD.—(1) No later than the
2 end of 360-day period beginning on the date of publication
3 of an initial notice under subsection (a), the Secretary
4 shall receive no more filings on the appeal and the record
5 of decision regarding the appeal shall be closed.

6 “(2) Upon the closure of the record of decision, the
7 Secretary shall immediately publish a notice that the
8 record of decision has been closed.

9 “(3) The Secretary may extend the period specified
10 in paragraph (1) with respect to an appeal—

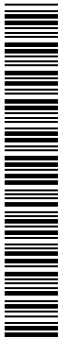
11 “(A) in accordance with the mutual agreement
12 of the parties to the appeal; or

13 “(B) as needed to complete the development of
14 any environmental analyses required under the Na-
15 tional Environmental Policy Act of 1969 (42 U.S.C.
16 4331 et seq.).

17 “(c) DEADLINE FOR DECISION.—The Secretary shall
18 issue a decision in any appeal filed under section 307 no
19 later than 90 days after the publication of a notice under
20 subsection (b)(2).

21 “(d) APPLICATION.— This section applies to appeals
22 initiated by the Secretary and appeals filed by an appli-
23 cant.”.

24 (b) APPLICATION.—The amendment made by sub-
25 section (a)—



1 (1) shall apply with respect to any appeal initi-
2 ated or filed on or after the date of the enactment
3 of this Act; and

4 (2) shall not affect any appeal initiated or filed
5 before the date of the enactment of this Act.

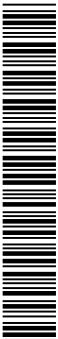
6 **SEC. 30216. TASK FORCE ON ENERGY PROJECT STREAM-**
7 **LINING.**

8 (a) FINDINGS.—The Congress finds that—

9 (1) increased production and transmission of
10 energy in a safe and environmentally sound manner
11 is essential to the well-being of the American people;

12 (2) on May 18, 2001, President George W.
13 Bush signed Executive Order 13212 requiring agen-
14 cies to expedite their review of permits of other ac-
15 tions as necessary to accelerate the completion of en-
16 ergy-related projects, while maintaining safety, pub-
17 lic health, and environmental protections; and

18 (3) Executive Order 13212 established an inter-
19 agency task force chaired by the Chairman of the
20 Council on Environmental Quality to monitor and
21 assist agencies in their efforts to expedite review of
22 actions consistent with the Executive order, and to
23 monitor and assist agencies in setting up appro-
24 priate mechanisms to coordinate Federal, State,



1 tribal, and local permitting in geographic areas
2 where increased permitting activity is expected.

3 (b) SENSE OF CONGRESS.—It is the sense of the
4 Congress that the Task Force established pursuant to Ex-
5 ecutive Order 13212 should remain in existence until such
6 time as the President finds that the needs for which it
7 was established have been met.

8 **SEC. 30217. PILOT PROGRAM ON NORTHERN ROCKY MOUN-**
9 **TAINS ENERGY RESOURCE MANAGEMENT.**

10 (a) FINDINGS.—The Congress finds that the task
11 force established by President George W. Bush by the
12 issuance of Executive Order 13212, and headed by the
13 Chairman of the Council on Environmental Quality, has
14 developed a pilot project the goals of which are—

15 (1) to reduce conflict, uncertainty, and the time
16 involved in making decisions on energy resource
17 management in the Northern Rocky Mountains;

18 (2) to establish a mechanism to provide for the
19 coordination of Federal and State policy guidance
20 regarding the development of regional energy re-
21 sources and their transmission to markets;

22 (3) to institutionalize early collaboration and
23 participation of all parties involved in regional deci-
24 sions on environmental, economic and energy issues



1 related to the exploration, development, and produc-
2 tion of energy resources; and

3 (4) to take a long-term and regional view on
4 how best to manage the energy resources in the
5 Northern Rocky Mountains.

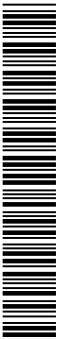
6 (b) SENSE OF THE CONGRESS.—It is the sense of
7 the Congress that the task force should carry out this pilot
8 project and report to the Congress no later than 36
9 months after the date of enactment of this Act on the
10 progress it has made in accomplishing the goals set forth
11 in subsection (a) of this section.

12 **SEC. 30218. ENERGY DEVELOPMENT FACILITATOR STUDY.**

13 (a) IN GENERAL.—The Chairman of the Council on
14 Environmental Quality shall conduct a study to determine
15 the feasibility of establishing under the Council the posi-
16 tion of Facilitator for Energy Development, to coordinate
17 Federal agency actions relating to energy project permit-
18 ting. The study shall consider, among other matters—

19 (1) the ways in which a facilitator can facilitate
20 the long-term coordination of energy projects on
21 Federal lands; and

22 (2) the role of a facilitator in ensuring that the
23 questions or concerns of permit applicants and other
24 persons involved in energy projects are addressed in
25 the agency.



1 (b) REPORT.—Not later than 12 months after the
2 date of enactment of this section, the Chairman shall sub-
3 mit a report to the Committee on Resources of the House
4 of Representatives and the Committee on Energy and
5 Natural Resources of the Senate detailing the findings of
6 the study required by subsection (a), and including any
7 legislative recommendations of the Chairman with respect
8 to the establishment of the position studied.

9 **SEC. 30219. COMBINED HYDROCARBON LEASING.**

10 (a) SPECIAL PROVISIONS REGARDING LEASING.—
11 Section 17(b)(2) of the Mineral Leasing Act (30 U.S.C.
12 226(b)(2)) is amended—

13 (1) by inserting “(A)” after “(2)”; and

14 (2) by adding at the end the following:

15 “(B) For any area that contains any combination of
16 tar sand and oil or gas (or both), the Secretary may issue
17 under this Act, separately—

18 “(i) a lease for exploration for and extraction of
19 tar sand; and

20 “(ii) a lease for exploration for and development
21 of oil and gas.

22 “(C) A lease issued for tar sand shall be issued using
23 the same bidding process, annual rental, and posting pe-
24 riod as a lease issued for oil and gas, except that the min-



1 imum acceptable bid required for a lease issued for tar
2 sand shall be \$2 per acre.

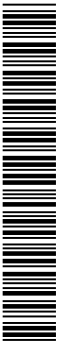
3 “(D) The Secretary may waive, suspend, or alter any
4 requirement under section 26 that a permittee under a
5 permit authorizing prospecting for tar sand must exercise
6 due diligence, to promote any resource covered by a com-
7 bined hydrocarbon lease.”.

8 (b) CONFORMING AMENDMENT.—Section
9 17(b)(1)(B) of the Mineral Leasing Act (30 U.S.C.
10 226(b)(1)(B)) is amended in the second sentence by in-
11 serting “, subject to paragraph (2)(B),” after “The Sec-
12 retary”.

13 (c) REGULATIONS.—Within 45 days after the date of
14 the enactment of this Act, the Secretary of the Interior
15 shall issue final regulations to implement this section.

16 **SEC. 30220. COMPREHENSIVE INVENTORY OF OCS OIL AND**
17 **NATURAL GAS RESOURCES.**

18 (a) IN GENERAL.—The Secretary of the Interior, in
19 consultation with the Secretary of Energy, key stake-
20 holders including coastal States, and the oil and gas indus-
21 try, shall conduct an inventory and analysis of oil and nat-
22 ural gas resources for areas beneath all of the United
23 States waters of the Outer Continental Shelf. The inven-
24 tory and analysis shall—



1 (1) provide resource estimates of oil and gas re-
2 sources underlying those waters and estimate how
3 those resource estimates may change if—

4 (A) geological and geophysical data could
5 be gathered and analyzed;

6 (B) targeted exploration was allowed; and

7 (C) full resource development was allowed
8 following successful exploration;

9 (2) analyze how resource estimates for such
10 areas, including areas such as the deepwater and
11 subsalt areas in the Gulf of Mexico, have changed
12 over time as—

13 (A) geological and geophysical data was
14 gathered;

15 (B) initial exploration occurred; and

16 (C) full field development occurred;

17 (3) identify and explain how legislative, regu-
18 latory, and administrative programs or processes re-
19 strict or impede the development of identified re-
20 sources and the extent to which they will affect do-
21 mestic supply, including with respect to—

22 (A) leasing moratoria;

23 (B) lease terms and conditions;

24 (C) operational stipulations and require-
25 ments;



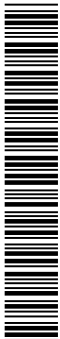
1 (D) approval delays by the Federal govern-
2 ment and coastal States; and

3 (E) local zoning restrictions for onshore
4 processing facilities and pipeline landings; and

5 (4) analyze the effect that understated oil and
6 gas resource inventories have on domestic energy in-
7 vestments.

8 (b) PROCESS RECOMMENDATIONS.—In conjunction
9 with the inventory and analysis, the Secretary of the Inte-
10 rior, in consultation with the Secretary of Energy, shall
11 consult with key stakeholders to make recommendations
12 for achieving a more balanced and environmentally sound
13 energy policy for the Outer Continental Shelf. Key stake-
14 holders to be consulted include Governors, conservation
15 and environmental organizations, academia, the oil and
16 gas industry, and the scientific and business communities.
17 The Secretary of the Interior shall also make rec-
18 ommendations regarding processes that could be imple-
19 mented that would lead to additional Outer Continental
20 Shelf leasing and development of those resources for the
21 benefit of the American public.

22 (c) REGULAR UPDATES.—After completion of the in-
23 ventory, the Secretary shall regularly update estimates
24 and identifications of restrictions to offshore development



1 included in the inventory, and make such updates publicly
2 available.

3 (d) SUBMISSION TO CONGRESS.—The inventory,
4 analysis, and recommendations shall be provided to the
5 Committee on Resources of the House of Representatives
6 and the Committee on Energy and Natural Resources of
7 the Senate within 6 months after the date of enactment
8 of this section.

9 (e) METHANE HYDRATE STUDY.—

10 (1) IN GENERAL.—The Secretary of the Inte-
11 rior shall study the occurrence and distribution of
12 methane hydrates in the United States.

13 (2) REPORT.—The Secretary of the Interior
14 shall submit a report to the Congress on the results
15 of the study by not later than 3 years after the date
16 of the enactment of this Act, including an estimate
17 of the methane hydrate resources in the United
18 States.

19 **SEC. 30221. ROYALTY PAYMENTS UNDER LEASES UNDER**
20 **THE OUTER CONTINENTAL SHELF LANDS**
21 **ACT.**

22 (a) ROYALTY RELIEF.—

23 (1) IN GENERAL.—For purposes of providing
24 compensation for lessees and a State for which
25 amounts are authorized by section 6004(c) of the Oil



1 Pollution Act of 1980 (Public Law 101–380), a les-
2 see may withhold from payment any royalty due and
3 owing to the United States under any lease under
4 the Outer Continental Shelf Lands Act (43 U.S.C.
5 1301 et seq.) for offshore oil or gas production from
6 a covered lease tract if, on or before the date that
7 the payment is due and payable to the United
8 States, the lessee makes a payment to the State of
9 44 cents for every \$1 of royalty withheld.

10 (2) TREATMENT OF WITHHELD AMOUNTS.—

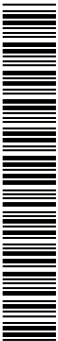
11 Any royalty withheld by a lessee in accordance with
12 this section shall be treated as paid for purposes of
13 satisfaction of the royalty obligations of the lessee to
14 the United States.

15 (3) CERTIFICATION OF WITHHELD AMOUNTS.—

16 The Secretary of the Treasury shall—

17 (A) determine the amount of royalty with-
18 held by a lessee under this section; and

19 (B) promptly publish a certification when
20 the total amount of royalty withheld by the les-
21 see under this section is equal to the lessee's
22 share of the total drainage claim for the West
23 Delta field (with interest) as described at page
24 47 of Senate Report number 101–534.



1 (b) PERIOD OF ROYALTY RELIEF.—Subsection (a)
2 shall apply to royalty amounts that are due and payable
3 in the period beginning on January 1, 2003, and ending
4 on the date on which the Secretary publishes a certifi-
5 cation under subsection (a)(3)(B).

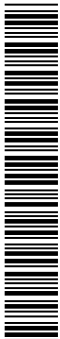
6 (c) DEFINITIONS.—As used in this section:

7 (1) COVERED LEASE TRACT.—The term “cov-
8 ered lease tract” means a leased tract (or portion of
9 a leased tract)—

10 (A) lying seaward of the zone defined and
11 governed by section 8(g) of the Outer Conti-
12 nental Shelf Lands Act (43 U.S.C. 1337(g)); or

13 (B) lying within such zone but to which
14 such section does not apply.

15 (2) LESSEE.—The term “lessee” means a per-
16 son (including a successor or assign of a person)
17 that, on the date of the enactment of the Oil Pollu-
18 tion Act of 1980, was a lessee referred to in section
19 6004(c) of that Act (as in effect on that date of the
20 enactment), but did not hold lease rights in Federal
21 offshore lease OCS-G-5669.



1 **TITLE III—BIOMASS ENERGY**
2 **SEC. 30301. GRANTS TO IMPROVE THE COMMERCIAL VALUE**
3 **OF FOREST BIOMASS FOR ELECTRIC ENERGY,**
4 **USEFUL HEAT, TRANSPORTATION FUELS, PE-**
5 **TROLEUM-BASED PRODUCT SUBSTITUTES,**
6 **AND OTHER COMMERCIAL PURPOSES.**

7 (a) FINDINGS.—Congress finds the following:

8 (1) Thousands of communities in the United
9 States, many located near Federal lands, are at risk
10 to wildfire. Approximately 190,000,000 acres of land
11 managed by the Secretary of Agriculture and the
12 Secretary of the Interior are at risk of catastrophic
13 fire in the near future. The accumulation of heavy
14 forest fuel loads continues to increase as a result of
15 disease, insect infestations, and drought, further
16 raising the risk of fire each year.

17 (2) In addition, more than 70,000,000 acres
18 across all land ownerships are at risk to higher than
19 normal mortality over the next 15 years from insect
20 infestation and disease. High levels of tree mortality
21 from insects and disease result in increased fire risk,
22 loss of old growth, degraded watershed conditions,
23 and changes in species diversity and productivity, as
24 well as diminished fish and wildlife habitat and de-
25 creased timber values.

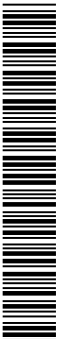


1 (3) Preventive treatments such as removing fuel
2 loading, ladder fuels, and hazard trees, planting
3 proper species mix and restoring and protecting
4 early successional habitat, and other specific restora-
5 tion treatments designed to reduce the susceptibility
6 of forest land, woodland, and rangeland to insect
7 outbreaks, disease, and catastrophic fire present the
8 greatest opportunity for long-term forest health by
9 creating a mosaic of species-mix and age distribu-
10 tion. Such prevention treatments are widely acknowl-
11 edged to be more successful and cost effective than
12 suppression treatments in the case of insects, dis-
13 ease, and fire.

14 (4) The by-products of preventive treatment
15 (wood, brush, thinnings, chips, slash, and other haz-
16 ardous fuels) removed from forest lands, woodlands
17 and rangelands represent an abundant supply of bio-
18 mass for biomass-to-energy facilities and raw mate-
19 rial for business. There are currently few markets
20 for the extraordinary volumes of by-products being
21 generated as a result of the necessary large-scale
22 preventive treatment activities.

23 (5) The United States should—

24 (A) promote economic and entrepreneurial
25 opportunities in using by-products removed



1 through preventive treatment activities related
2 to hazardous fuels reduction, disease, and insect
3 infestation; and

4 (B) develop and expand markets for tradi-
5 tionally underused wood and biomass as an out-
6 let for by-products of preventive treatment ac-
7 tivities.

8 (b) DEFINITIONS.—In this section:

9 (1) BIOMASS.—The term “biomass” means
10 trees and woody plants, including limbs, tops, nee-
11 dles, and other woody parts, and by-products of pre-
12 ventive treatment, such as wood, brush, thinnings,
13 chips, and slash, that are removed—

14 (A) to reduce hazardous fuels; or

15 (B) to reduce the risk of or to contain dis-
16 ease or insect infestation.

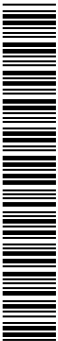
17 (2) INDIAN TRIBE.—The term “Indian tribe”
18 has the meaning given the term in section 4(e) of
19 the Indian Self-Determination and Education Assist-
20 ance Act (25 U.S.C. 450b(e)).

21 (3) PERSON.—The term “person” includes—

22 (A) an individual;

23 (B) a community (as determined by the
24 Secretary concerned);

25 (C) an Indian tribe;



1 (D) a small business, micro-business, or a
2 corporation that is incorporated in the United
3 States; and

4 (E) a nonprofit organization.

5 (4) PREFERRED COMMUNITY.—The term “pre-
6 ferred community” means—

7 (A) any town, township, municipality, or
8 other similar unit of local government (as deter-
9 mined by the Secretary concerned) that—

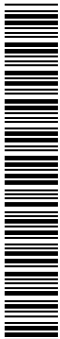
10 (i) has a population of not more than
11 50,000 individuals; and

12 (ii) the Secretary concerned, in the
13 sole discretion of the Secretary concerned,
14 determines contains or is located near
15 land, the condition of which is at signifi-
16 cant risk of catastrophic wildfire, disease,
17 or insect infestation or which suffers from
18 disease or insect infestation; or

19 (B) any county that—

20 (i) is not contained within a metro-
21 politan statistical area; and

22 (ii) the Secretary concerned, in the
23 sole discretion of the Secretary concerned,
24 determines contains or is located near
25 land, the condition of which is at signifi-



1 cant risk of catastrophic wildfire, disease,
2 or insect infestation or which suffers from
3 disease or insect infestation.

4 (5) SECRETARY CONCERNED.—The term “Sec-
5 retary concerned” means—

6 (A) the Secretary of Agriculture with re-
7 spect to National Forest System lands; and

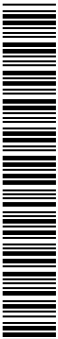
8 (B) the Secretary of the Interior with re-
9 spect to Federal lands under the jurisdiction of
10 the Secretary of the Interior and Indian lands.

11 (c) BIOMASS COMMERCIAL USE GRANT PROGRAM.—

12 (1) IN GENERAL.—The Secretary concerned
13 may make grants to any person that owns or oper-
14 ates a facility that uses biomass as a raw material
15 to produce electric energy, sensible heat, transpor-
16 tation fuels, or substitutes for petroleum-based prod-
17 ucts to offset the costs incurred to purchase biomass
18 for use by such facility.

19 (2) GRANT AMOUNTS.—A grant under this sub-
20 section may not exceed \$20 per green ton of biomass
21 delivered.

22 (3) MONITORING OF GRANT RECIPIENT ACTIVI-
23 TIES.—As a condition of a grant under this sub-
24 section, the grant recipient shall keep such records
25 as the Secretary concerned may require to fully and



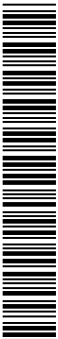
1 correctly disclose the use of the grant funds and all
2 transactions involved in the purchase of biomass.
3 Upon notice by a representative of the Secretary
4 concerned, the grant recipient shall afford the rep-
5 resentative reasonable access to the facility that pur-
6 chases or uses biomass and an opportunity to exam-
7 ine the inventory and records of the facility.

8 (d) IMPROVED BIOMASS USE GRANT PROGRAM.—

9 (1) IN GENERAL.—The Secretary concerned
10 may make grants to persons to offset the cost of
11 projects to develop or research opportunities to im-
12 prove the use of, or add value to, biomass. In mak-
13 ing such grants, the Secretary concerned shall give
14 preference to persons in preferred communities.

15 (2) SELECTION.—The Secretary concerned shall
16 select a grant recipient under paragraph (1) after
17 giving consideration to the anticipated public bene-
18 fits of the project, including the potential to develop
19 thermal or electric energy resources or affordable en-
20 ergy, opportunities for the creation or expansion of
21 small businesses and micro-businesses, and the po-
22 tential for new job creation.

23 (3) GRANT AMOUNT.—A grant under this sub-
24 section may not exceed \$100,000.



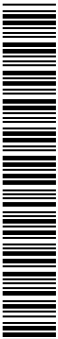
1 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
2 authorized to be appropriated \$50,000,000 for each of the
3 fiscal years 2004 through 2014 to carry out this section.

4 (f) REPORT.—Not later than October 1, 2010, the
5 Secretary of Agriculture, in consultation with the Sec-
6 retary of the Interior, shall submit to the Committee on
7 Energy and Natural Resources and the Committee on Ag-
8 riculture, Nutrition, and Forestry of the Senate and the
9 Committee on Resources and the Committee on Agri-
10 culture of the House of Representatives a report describ-
11 ing the results of the grant programs authorized by this
12 section. The report shall include the following:

13 (1) An identification of the size, type, and the
14 use of biomass by persons that receive grants under
15 this section.

16 (2) The distance between the land from which
17 the biomass was removed and the facility that used
18 the biomass.

19 (3) The economic impacts, particularly new job
20 creation, resulting from the grants to and operation
21 of the eligible operations.



1 **TITLE IV—ARCTIC COASTAL**
2 **PLAIN DOMESTIC ENERGY**

3 **SEC. 30401. SHORT TITLE.**

4 This title may be cited as the “Arctic Coastal Plain
5 Domestic Energy Security Act of 2003”.

6 **SEC. 30402. DEFINITIONS.**

7 In this title:

8 (1) COASTAL PLAIN.—The term “Coastal
9 Plain” means that area identified as such in the
10 map entitled “Arctic National Wildlife Refuge”,
11 dated August 1980, as referenced in section 1002(b)
12 of the Alaska National Interest Lands Conservation
13 Act of 1980 (16 U.S.C. 3142(b)(1)), comprising ap-
14 proximately 1,549,000 acres, and as described in ap-
15 pendix I to part 37 of title 50, Code of Federal Reg-
16 ulations.

17 (2) SECRETARY.—The term “Secretary”, except
18 as otherwise provided, means the Secretary of the
19 Interior or the Secretary’s designee.

20 **SEC. 30403. LEASING PROGRAM FOR LANDS WITHIN THE**
21 **COASTAL PLAIN.**

22 (a) IN GENERAL.—The Secretary shall take such ac-
23 tions as are necessary—

24 (1) to establish and implement in accordance
25 with this Act a competitive oil and gas leasing pro-

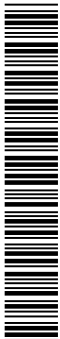


1 gram under the Mineral Leasing Act (30 U.S.C. 181
2 et seq.) that will result in an environmentally sound
3 program for the exploration, development, and pro-
4 duction of the oil and gas resources of the Coastal
5 Plain; and

6 (2) to administer the provisions of this title
7 through regulations, lease terms, conditions, restric-
8 tions, prohibitions, stipulations, and other provisions
9 that ensure the oil and gas exploration, development,
10 and production activities on the Coastal Plain will
11 result in no significant adverse effect on fish and
12 wildlife, their habitat, subsistence resources, and the
13 environment, and including, in furtherance of this
14 goal, by requiring the application of the best com-
15 mercially available technology for oil and gas explo-
16 ration, development, and production to all explo-
17 ration, development, and production operations
18 under this title in a manner that ensures the receipt
19 of fair market value by the public for the mineral re-
20 sources to be leased.

21 (b) REPEAL.—Section 1003 of the Alaska National
22 Interest Lands Conservation Act of 1980 (16 U.S.C.
23 3143) is repealed.

24 (c) COMPLIANCE WITH REQUIREMENTS UNDER CER-
25 TAIN OTHER LAWS.—



1 (1) COMPATIBILITY.—For purposes of the Na-
2 tional Wildlife Refuge System Administration Act of
3 1966, the oil and gas leasing program and activities
4 authorized by this section in the Coastal Plain are
5 deemed to be compatible with the purposes for which
6 the Arctic National Wildlife Refuge was established,
7 and that no further findings or decisions are re-
8 quired to implement this determination.

9 (2) ADEQUACY OF THE DEPARTMENT OF THE
10 INTERIOR’S LEGISLATIVE ENVIRONMENTAL IMPACT
11 STATEMENT.—The “Final Legislative Environ-
12 mental Impact Statement” (April 1987) on the
13 Coastal Plain prepared pursuant to section 1002 of
14 the Alaska National Interest Lands Conservation
15 Act of 1980 (16 U.S.C. 3142) and section 102(2)(C)
16 of the National Environmental Policy Act of 1969
17 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the re-
18 quirements under the National Environmental Policy
19 Act of 1969 that apply with respect to actions au-
20 thorized to be taken by the Secretary to develop and
21 promulgate the regulations for the establishment of
22 a leasing program authorized by this title before the
23 conduct of the first lease sale.

24 (3) COMPLIANCE WITH NEPA FOR OTHER AC-
25 TIONS.—Before conducting the first lease sale under



1 this title, the Secretary shall prepare an environ-
2 mental impact statement under the National Envi-
3 ronmental Policy Act of 1969 with respect to the ac-
4 tions authorized by this title that are not referred to
5 in paragraph (2). Notwithstanding any other law,
6 the Secretary is not required to identify nonleasing
7 alternative courses of action or to analyze the envi-
8 ronmental effects of such courses of action. The Sec-
9 retary shall only identify a preferred action for such
10 leasing and a single leasing alternative, and analyze
11 the environmental effects and potential mitigation
12 measures for those two alternatives. The identifica-
13 tion of the preferred action and related analysis for
14 the first lease sale under this title shall be completed
15 within 18 months after the date of the enactment of
16 this Act. The Secretary shall only consider public
17 comments that specifically address the Secretary's
18 preferred action and that are filed within 20 days
19 after publication of an environmental analysis. Not-
20 withstanding any other law, compliance with this
21 paragraph is deemed to satisfy all requirements for
22 the analysis and consideration of the environmental
23 effects of proposed leasing under this title.



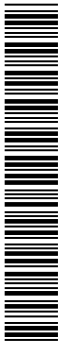
1 (d) RELATIONSHIP TO STATE AND LOCAL AUTHOR-
2 ITY.—Nothing in this title shall be considered to expand
3 or limit State and local regulatory authority.

4 (e) SPECIAL AREAS.—

5 (1) IN GENERAL.—The Secretary, after con-
6 sultation with the State of Alaska, the city of
7 Kaktovik, and the North Slope Borough, may des-
8 ignate up to a total of 45,000 acres of the Coastal
9 Plain as a Special Area if the Secretary determines
10 that the Special Area is of such unique character
11 and interest so as to require special management
12 and regulatory protection. The Secretary shall des-
13 ignate as such a Special Area the Sadlerochit Spring
14 area, comprising approximately 4,000 acres as de-
15 picted on the map referred to in section 402(1).

16 (2) MANAGEMENT.—Each such Special Area
17 shall be managed so as to protect and preserve the
18 area's unique and diverse character including its
19 fish, wildlife, and subsistence resource values.

20 (3) EXCLUSION FROM LEASING OR SURFACE
21 OCCUPANCY.—The Secretary may exclude any Spe-
22 cial Area from leasing. If the Secretary leases a Spe-
23 cial Area, or any part thereof, for purposes of oil
24 and gas exploration, development, production, and



1 related activities, there shall be no surface occu-
2 pancy of the lands comprising the Special Area.

3 (4) DIRECTIONAL DRILLING.—Notwithstanding
4 the other provisions of this subsection, the Secretary
5 may lease all or a portion of a Special Area under
6 terms that permit the use of horizontal drilling tech-
7 nology from sites on leases located outside the area.

8 (f) LIMITATION ON CLOSED AREAS.—The Sec-
9 retary's sole authority to close lands within the Coastal
10 Plain to oil and gas leasing and to exploration, develop-
11 ment, and production is that set forth in this title.

12 (g) REGULATIONS.—

13 (1) IN GENERAL.—The Secretary shall pre-
14 scribe such regulations as may be necessary to carry
15 out this title, including rules and regulations relating
16 to protection of the fish and wildlife, their habitat,
17 subsistence resources, and environment of the Coast-
18 al Plain, by no later than 15 months after the date
19 of the enactment of this Act.

20 (2) REVISION OF REGULATIONS.—The Sec-
21 retary shall periodically review and, if appropriate,
22 revise the rules and regulations issued under sub-
23 section (a) to reflect any significant biological, envi-
24 ronmental, or engineering data that come to the Sec-
25 retary's attention.



1 **SEC. 30404. LEASE SALES.**

2 (a) IN GENERAL.—Lands may be leased pursuant to
3 this title to any person qualified to obtain a lease for de-
4 posits of oil and gas under the Mineral Leasing Act (30
5 U.S.C. 181 et seq.).

6 (b) PROCEDURES.—The Secretary shall, by regula-
7 tion, establish procedures for—

8 (1) receipt and consideration of sealed nomina-
9 tions for any area in the Coastal Plain for inclusion
10 in, or exclusion (as provided in subsection (c)) from,
11 a lease sale;

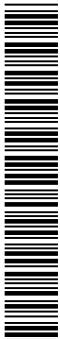
12 (2) the holding of lease sales after such nomina-
13 tion process; and

14 (3) public notice of and comment on designa-
15 tion of areas to be included in, or excluded from, a
16 lease sale.

17 (c) LEASE SALE BIDS.—Bidding for leases under
18 this title shall be by sealed competitive cash bonus bids.

19 (d) ACREAGE MINIMUM IN FIRST SALE.—In the first
20 lease sale under this title, the Secretary shall offer for
21 lease those tracts the Secretary considers to have the
22 greatest potential for the discovery of hydrocarbons, tak-
23 ing into consideration nominations received pursuant to
24 subsection (b)(1), but in no case less than 200,000 acres.

25 (e) TIMING OF LEASE SALES.—The Secretary
26 shall—



1 (1) conduct the first lease sale under this title
2 within 22 months after the date of the enactment of
3 this Act; and

4 (2) conduct additional sales so long as sufficient
5 interest in development exists to warrant, in the Sec-
6 retary's judgment, the conduct of such sales.

7 **SEC. 30405. GRANT OF LEASES BY THE SECRETARY.**

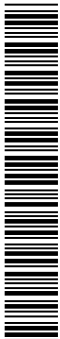
8 (a) IN GENERAL.—The Secretary may grant to the
9 highest responsible qualified bidder in a lease sale con-
10 ducted pursuant to section 30404 any lands to be leased
11 on the Coastal Plain upon payment by the lessee of such
12 bonus as may be accepted by the Secretary.

13 (b) SUBSEQUENT TRANSFERS.—No lease issued
14 under this title may be sold, exchanged, assigned, sublet,
15 or otherwise transferred except with the approval of the
16 Secretary. Prior to any such approval the Secretary shall
17 consult with, and give due consideration to the views of,
18 the Attorney General.

19 **SEC. 30406. LEASE TERMS AND CONDITIONS.**

20 (a) IN GENERAL.—An oil or gas lease issued pursu-
21 ant to this title shall—

22 (1) provide for the payment of a royalty of not
23 less than 12½ percent in amount or value of the
24 production removed or sold from the lease, as deter-



1 mined by the Secretary under the regulations appli-
2 cable to other Federal oil and gas leases;

3 (2) provide that the Secretary may close, on a
4 seasonal basis, portions of the Coastal Plain to ex-
5 ploratory drilling activities as necessary to protect
6 caribou calving areas and other species of fish and
7 wildlife;

8 (3) require that the lessee of lands within the
9 Coastal Plain shall be fully responsible and liable for
10 the reclamation of lands within the Coastal Plain
11 and any other Federal lands that are adversely af-
12 fected in connection with exploration, development,
13 production, or transportation activities conducted
14 under the lease and within the Coastal Plain by the
15 lessee or by any of the subcontractors or agents of
16 the lessee;

17 (4) provide that the lessee may not delegate or
18 convey, by contract or otherwise, the reclamation re-
19 sponsibility and liability to another person without
20 the express written approval of the Secretary;

21 (5) provide that the standard of reclamation for
22 lands required to be reclaimed under this title shall
23 be, as nearly as practicable, a condition capable of
24 supporting the uses which the lands were capable of
25 supporting prior to any exploration, development, or



1 production activities, or upon application by the les-
2 see, to a higher or better use as approved by the
3 Secretary;

4 (6) contain terms and conditions relating to
5 protection of fish and wildlife, their habitat, and the
6 environment as required pursuant to section
7 30403(a)(2);

8 (7) provide that the lessee, its agents, and its
9 contractors use best efforts to provide a fair share,
10 as determined by the level of obligation previously
11 agreed to in the 1974 agreement implementing sec-
12 tion 29 of the Federal Agreement and Grant of
13 Right of Way for the Operation of the Trans-Alaska
14 Pipeline, of employment and contracting for Alaska
15 Natives and Alaska Native Corporations from
16 throughout the State;

17 (8) prohibit the export of oil produced under
18 the lease; and

19 (9) contain such other provisions as the Sec-
20 retary determines necessary to ensure compliance
21 with the provisions of this title and the regulations
22 issued under this title.

23 (b) PROJECT LABOR AGREEMENTS.—The Secretary,
24 as a term and condition of each lease under this title and
25 in recognizing the Government's proprietary interest in



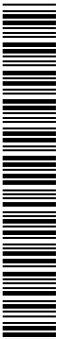
1 labor stability and in the ability of construction labor and
2 management to meet the particular needs and conditions
3 of projects to be developed under the leases issued pursu-
4 ant to this title and the special concerns of the parties
5 to such leases, shall require that the lessee and its agents
6 and contractors negotiate to obtain a project labor agree-
7 ment for the employment of laborers and mechanics on
8 production, maintenance, and construction under the
9 lease.

10 **SEC. 30407. COASTAL PLAIN ENVIRONMENTAL PROTEC-**
11 **TION.**

12 (a) NO SIGNIFICANT ADVERSE EFFECT STANDARD
13 TO GOVERN AUTHORIZED COASTAL PLAIN ACTIVITIES.—
14 The Secretary shall, consistent with the requirements of
15 section 30403, administer the provisions of this title
16 through regulations, lease terms, conditions, restrictions,
17 prohibitions, stipulations, and other provisions that—

18 (1) ensure the oil and gas exploration, develop-
19 ment, and production activities on the Coastal Plain
20 will result in no significant adverse effect on fish
21 and wildlife, their habitat, and the environment; and

22 (2) require the application of the best commer-
23 cially available technology for oil and gas explo-
24 ration, development, and production on all new ex-
25 ploration, development, and production operations.



1 (b) SITE-SPECIFIC ASSESSMENT AND MITIGATION.—

2 The Secretary shall also require, with respect to any pro-
3 posed drilling and related activities, that—

4 (1) a site-specific analysis be made of the prob-
5 able effects, if any, that the drilling or related activi-
6 ties will have on fish and wildlife, their habitat, and
7 the environment;

8 (2) a plan be implemented to avoid, minimize,
9 and mitigate (in that order and to the extent prac-
10 ticable) any significant adverse effect identified
11 under paragraph (1); and

12 (3) the development of the plan shall occur
13 after consultation with the agency or agencies hav-
14 ing jurisdiction over matters mitigated by the plan.

15 (c) REGULATIONS TO PROTECT COASTAL PLAIN
16 FISH AND WILDLIFE RESOURCES, SUBSISTENCE USERS,
17 AND THE ENVIRONMENT.—Before implementing the leas-
18 ing program authorized by this title, the Secretary shall
19 prepare and promulgate regulations, lease terms, condi-
20 tions, restrictions, prohibitions, stipulations, and other
21 measures designed to ensure that the activities undertaken
22 on the Coastal Plain under this title are conducted in a
23 manner consistent with the purposes and environmental
24 requirements of this title.

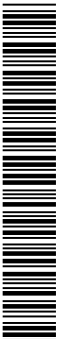


1 (d) COMPLIANCE WITH FEDERAL AND STATE ENVI-
2 RONMENTAL LAWS AND OTHER REQUIREMENTS.—The
3 proposed regulations, lease terms, conditions, restrictions,
4 prohibitions, and stipulations for the leasing program
5 under this title shall require compliance with all applicable
6 provisions of Federal and State environmental law and
7 shall also require the following:

8 (1) Standards at least as effective as the safety
9 and environmental mitigation measures set forth in
10 items 1 through 29 at pages 167 through 169 of the
11 “Final Legislative Environmental Impact State-
12 ment” (April 1987) on the Coastal Plain.

13 (2) Seasonal limitations on exploration, develop-
14 ment, and related activities, where necessary, to
15 avoid significant adverse effects during periods of
16 concentrated fish and wildlife breeding, denning,
17 nesting, spawning, and migration.

18 (3) That exploration activities, except for sur-
19 face geological studies, be limited to the period be-
20 tween approximately November 1 and May 1 each
21 year and that exploration activities shall be sup-
22 ported by ice roads, winter trails with adequate snow
23 cover, ice pads, ice airstrips, and air transport meth-
24 ods, except that such exploration activities may
25 occur at other times, if the Secretary finds that such



1 exploration will have no significant adverse effect on
2 the fish and wildlife, their habitat, and the environ-
3 ment of the Coastal Plain.

4 (4) Design safety and construction standards
5 for all pipelines and any access and service roads,
6 that—

7 (A) minimize, to the maximum extent pos-
8 sible, adverse effects upon the passage of mi-
9 gratory species such as caribou; and

10 (B) minimize adverse effects upon the flow
11 of surface water by requiring the use of cul-
12 verts, bridges, and other structural devices.

13 (5) Prohibitions on public access and use on all
14 pipeline access and service roads.

15 (6) Stringent reclamation and rehabilitation re-
16 quirements, consistent with the standards set forth
17 in this title, requiring the removal from the Coastal
18 Plain of all oil and gas development and production
19 facilities, structures, and equipment upon completion
20 of oil and gas production operations, except that the
21 Secretary may exempt from the requirements of this
22 paragraph those facilities, structures, or equipment
23 that the Secretary determines would assist in the
24 management of the Arctic National Wildlife Refuge



1 and that are donated to the United States for that
2 purpose.

3 (7) Appropriate prohibitions or restrictions on
4 access by all modes of transportation.

5 (8) Appropriate prohibitions or restrictions on
6 sand and gravel extraction.

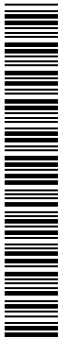
7 (9) Consolidation of facility siting.

8 (10) Appropriate prohibitions or restrictions on
9 use of explosives.

10 (11) Avoidance, to the extent practicable, of
11 springs, streams, and river system; the protection of
12 natural surface drainage patterns, wetlands, and ri-
13 parian habitats; and the regulation of methods or
14 techniques for developing or transporting adequate
15 supplies of water for exploratory drilling.

16 (12) Avoidance or reduction of air traffic-re-
17 lated disturbance to fish and wildlife.

18 (13) Treatment and disposal of hazardous and
19 toxic wastes, solid wastes, reserve pit fluids, drilling
20 muds and cuttings, and domestic wastewater, includ-
21 ing an annual waste management report, a haz-
22 ardous materials tracking system, and a prohibition
23 on chlorinated solvents, in accordance with applica-
24 ble Federal and State environmental law.



1 (14) Fuel storage and oil spill contingency plan-
2 ning.

3 (15) Research, monitoring, and reporting re-
4 quirements.

5 (16) Field crew environmental briefings.

6 (17) Avoidance of significant adverse effects
7 upon subsistence hunting, fishing, and trapping by
8 subsistence users.

9 (18) Compliance with applicable air and water
10 quality standards.

11 (19) Appropriate seasonal and safety zone des-
12 ignations around well sites, within which subsistence
13 hunting and trapping shall be limited.

14 (20) Reasonable stipulations for protection of
15 cultural and archeological resources.

16 (21) All other protective environmental stipula-
17 tions, restrictions, terms, and conditions deemed
18 necessary by the Secretary.

19 (e) CONSIDERATIONS.—In preparing and promul-
20 gating regulations, lease terms, conditions, restrictions,
21 prohibitions, and stipulations under this section, the Sec-
22 retary shall consider the following:

23 (1) The stipulations and conditions that govern
24 the National Petroleum Reserve-Alaska leasing pro-
25 gram, as set forth in the 1999 Northeast National



1 Petroleum Reserve-Alaska Final Integrated Activity
2 Plan/Environmental Impact Statement.

3 (2) The environmental protection standards
4 that governed the initial Coastal Plain seismic explo-
5 ration program under parts 37.31 to 37.33 of title
6 50, Code of Federal Regulations.

7 (3) The land use stipulations for exploratory
8 drilling on the KIC-ASRC private lands that are set
9 forth in Appendix 2 of the August 9, 1983, agree-
10 ment between Arctic Slope Regional Corporation and
11 the United States.

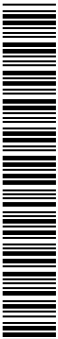
12 (f) FACILITY CONSOLIDATION PLANNING.—

13 (1) IN GENERAL.—The Secretary shall, after
14 providing for public notice and comment, prepare
15 and update periodically a plan to govern, guide, and
16 direct the siting and construction of facilities for the
17 exploration, development, production, and transpor-
18 tation of Coastal Plain oil and gas resources.

19 (2) OBJECTIVES.—The plan shall have the fol-
20 lowing objectives:

21 (A) Avoiding unnecessary duplication of fa-
22 cilities and activities.

23 (B) Encouraging consolidation of common
24 facilities and activities.



1 (C) Locating or confining facilities and ac-
2 tivities to areas that will minimize impact on
3 fish and wildlife, their habitat, and the environ-
4 ment.

5 (D) Utilizing existing facilities wherever
6 practicable.

7 (E) Enhancing compatibility between wild-
8 life values and development activities.

9 (g) ACCESS TO PUBLIC LANDS.—The Secretary
10 shall—

11 (1) manage public lands in the Coastal Plain
12 subject to section subsections (a) and (b) of section
13 811 of the Alaska National Interest Lands Con-
14 servation Act (16 U.S.C. 3121); and

15 (2) ensure that local residents shall have rea-
16 sonable access to public lands in the Coastal Plain
17 for traditional uses.

18 **SEC. 30408. EXPEDITED JUDICIAL REVIEW.**

19 (a) FILING OF COMPLAINT.—

20 (1) DEADLINE.—Subject to paragraph (2), any
21 complaint seeking judicial review of any provision of
22 this title or any action of the Secretary under this
23 title shall be filed in any appropriate district court
24 of the United States—



1 (A) except as provided in subparagraph
2 (B), within the 90-day period beginning on the
3 date of the action being challenged; or

4 (B) in the case of a complaint based solely
5 on grounds arising after such period, within 90
6 days after the complainant knew or reasonably
7 should have known of the grounds for the com-
8 plaint.

9 (2) VENUE.—Any complaint seeking judicial re-
10 view of an action of the Secretary under this title
11 may be filed only in the United States Court of Ap-
12 peals for the District of Columbia.

13 (3) LIMITATION ON SCOPE OF CERTAIN RE-
14 VIEW.—Judicial review of a Secretarial decision to
15 conduct a lease sale under this title, including the
16 environmental analysis thereof, shall be limited to
17 whether the Secretary has complied with the terms
18 of this title and shall be based upon the administra-
19 tive record of that decision. The Secretary's identi-
20 fication of a preferred course of action to enable
21 leasing to proceed and the Secretary's analysis of
22 environmental effects under this title shall be pre-
23 sumed to be correct unless shown otherwise by clear
24 and convincing evidence to the contrary.



1 (b) LIMITATION ON OTHER REVIEW.—Actions of the
2 Secretary with respect to which review could have been
3 obtained under this section shall not be subject to judicial
4 review in any civil or criminal proceeding for enforcement.

5 **SEC. 30409. FEDERAL AND STATE DISTRIBUTION OF REVE-**
6 **NUES.**

7 (a) IN GENERAL.—Notwithstanding any other provi-
8 sion of law, of the amount of adjusted bonus, rental, and
9 royalty revenues from oil and gas leasing and operations
10 authorized under this title—

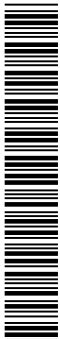
11 (1) 50 percent shall be paid to the State of
12 Alaska; and

13 (2) except as provided in section 30412(d) the
14 balance shall be deposited into the Treasury as mis-
15 cellaneous receipts.

16 (b) PAYMENTS TO ALASKA.—Payments to the
17 State of Alaska under this section shall be made
18 semiannually.

19 **SEC. 30410. RIGHTS-OF-WAY ACROSS THE COASTAL PLAIN.**

20 (a) EXEMPTION.—Title XI of the Alaska National In-
21 terest Lands Conservation Act of 1980 (16 U.S.C. 3161
22 et seq.) shall not apply to the issuance by the Secretary
23 under section 28 of the Mineral Leasing Act (30 U.S.C.
24 185) of rights-of-way and easements across the Coastal
25 Plain for the transportation of oil and gas.



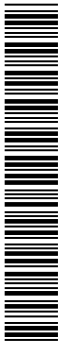
1 (b) TERMS AND CONDITIONS.—The Secretary shall
2 include in any right-of-way or easement referred to in sub-
3 section (a) such terms and conditions as may be necessary
4 to ensure that transportation of oil and gas does not result
5 in a significant adverse effect on the fish and wildlife, sub-
6 sistence resources, their habitat, and the environment of
7 the Coastal Plain, including requirements that facilities be
8 sited or designed so as to avoid unnecessary duplication
9 of roads and pipelines.

10 (c) REGULATIONS.—The Secretary shall include in
11 regulations under section 30403(g) provisions granting
12 rights-of-way and easements described in subsection (a)
13 of this section.

14 **SEC. 30411. CONVEYANCE.**

15 In order to maximize Federal revenues by removing
16 clouds on title to lands and clarifying land ownership pat-
17 terns within the Coastal Plain, the Secretary, notwith-
18 standing the provisions of section 1302(h)(2) of the Alas-
19 ka National Interest Lands Conservation Act (16 U.S.C.
20 3192(h)(2)), shall convey—

21 (1) to the Kaktovik Inupiat Corporation the
22 surface estate of the lands described in paragraph 1
23 of Public Land Order 6959, to the extent necessary
24 to fulfill the Corporation's entitlement under section
25 12 of the Alaska Native Claims Settlement Act (43



1 U.S.C. 1611) in accordance with the terms and con-
2 ditions of the Agreement between the Department of
3 the Interior, the United States Fish and Wildlife
4 Service, the Bureau of Land Management, and the
5 Kaktovik Inupiat Corporation effective January 22,
6 1993; and

7 (2) to the Arctic Slope Regional Corporation
8 the remaining subsurface estate to which it is enti-
9 tled pursuant to the August 9, 1983, agreement be-
10 tween the Arctic Slope Regional Corporation and the
11 United States of America.

12 **SEC. 30412. LOCAL GOVERNMENT IMPACT AID AND COMMU-**
13 **NITY SERVICE ASSISTANCE.**

14 (a) FINANCIAL ASSISTANCE AUTHORIZED.—

15 (1) IN GENERAL.—The Secretary may use
16 amounts available from the Coastal Plain Local Gov-
17 ernment Impact Aid Assistance Fund established by
18 subsection (d) to provide timely financial assistance
19 to entities that are eligible under paragraph (2) and
20 that are directly impacted by the exploration for or
21 production of oil and gas on the Coastal Plain under
22 this title.

23 (2) ELIGIBLE ENTITIES.—The North Slope
24 Borough, Kaktovik, and other boroughs, municipal
25 subdivisions, villages, and any other community or-



1 organized under Alaska State law shall be eligible for
2 financial assistance under this section.

3 (b) USE OF ASSISTANCE.—Financial assistance
4 under this section may be used only for—

5 (1) planning for mitigation of the potential ef-
6 fects of oil and gas exploration and development on
7 environmental, social, cultural, recreational and sub-
8 sistence values;

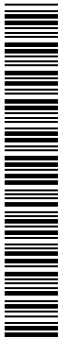
9 (2) implementing mitigation plans and main-
10 taining mitigation projects;

11 (3) developing, carrying out, and maintaining
12 projects and programs that provide new or expanded
13 public facilities and services to address needs and
14 problems associated with such effects, including fire-
15 fighting, police, water, waste treatment, medivac,
16 and medical services; and

17 (4) establishment of a coordination office, by
18 the North Slope Borough, in the City of Kaktovik,
19 which shall—

20 (A) coordinate with and advise developers
21 on local conditions, impact, and history of the
22 areas utilized for development; and

23 (B) provide to the Committee on Resources
24 of the Senate and the Committee on Energy
25 and Resources of the Senate an annual report



1 on the status of coordination between devel-
2 opers and the communities affected by develop-
3 ment.

4 (c) APPLICATION.—

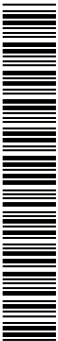
5 (1) IN GENERAL.—Any community that is eligi-
6 ble for assistance under this section may submit an
7 application for such assistance to the Secretary, in
8 such form and under such procedures as the Sec-
9 retary may prescribe by regulation.

10 (2) NORTH SLOPE BOROUGH COMMUNITIES.—A
11 community located in the North Slope Borough may
12 apply for assistance under this section either directly
13 to the Secretary or through the North Slope Bor-
14 ough.

15 (3) APPLICATION ASSISTANCE.—The Secretary
16 shall work closely with and assist the North Slope
17 Borough and other communities eligible for assist-
18 ance under this section in developing and submitting
19 applications for assistance under this section.

20 (d) ESTABLISHMENT OF FUND.—

21 (1) IN GENERAL.—There is established in the
22 Treasury the Coastal Plain Local Government Im-
23 pact Aid Assistance Fund.



1 (2) USE.—Amounts in the fund may be used
2 only for providing financial assistance under this
3 section.

4 (3) DEPOSITS.—Subject to paragraph (4), there
5 shall be deposited into the fund amounts received by
6 the United States as revenues derived from rents,
7 bonuses, and royalties under on leases and lease
8 sales authorized under this title.

9 (4) LIMITATION ON DEPOSITS.—The total
10 amount in the fund may not exceed \$11,000,000.

11 (5) INVESTMENT OF BALANCES.—The Sec-
12 retary of the Treasury shall invest amounts in the
13 fund in interest bearing government securities.

14 (e) AUTHORIZATION OF APPROPRIATIONS.—To pro-
15 vide financial assistance under this section there is author-
16 ized to be appropriated to the Secretary from the Coastal
17 Plain Local Government Impact Aid Assistance Fund
18 \$5,000,000 for each fiscal year.

19 **TITLE V—HYDROPOWER**

20 **SEC. 30501. STUDY AND REPORT ON INCREASING ELECTRIC** 21 **POWER PRODUCTION CAPABILITY OF EXIST-** 22 **ING FACILITIES.**

23 (a) IN GENERAL.—The Secretary of the Interior, in
24 consultation with the Administrator of each Federal power
25 marketing administration, shall conduct a study of the po-



1 tential for increasing electric power production capability
2 at existing facilities under the administrative jurisdiction
3 of the Secretary.

4 (b) CONTENT.—The study under this section shall in-
5 clude identification and description in detail of each facil-
6 ity that is capable, with or without modification, of pro-
7 ducing additional hydroelectric power, including esti-
8 mation of the existing potential for the facility to generate
9 hydroelectric power.

10 (c) REPORT.—The Secretary shall submit to the Con-
11 gress a report on the findings, conclusions, and rec-
12 ommendations of the study under this section by not later
13 than 12 months after the date of the enactment of this
14 Act. The Secretary shall include in the report the fol-
15 lowing:

16 (1) The identifications, descriptions, and esti-
17 mations referred to in subsection (b).

18 (2) A description of activities the Secretary is
19 currently conducting or considering, or that could be
20 considered, to produce additional hydroelectric power
21 from each identified facility.

22 (3) A summary of action that has already been
23 taken by the Secretary to produce additional hydro-
24 electric power from each identified facility.



1 (4) The costs to install, upgrade, or modify
2 equipment or take other actions to produce addi-
3 tional hydroelectric power from each identified facil-
4 ity and the level of Federal power customer involve-
5 ment in the Secretary's determination of such costs.

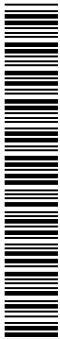
6 (5) The benefits that would be achieved by such
7 installation, upgrade, modification, or other action,
8 including quantified estimates of any additional en-
9 ergy or capacity from each facility identified under
10 subsection (b).

11 (6) A description of actions that are planned,
12 underway, or might reasonably be considered to in-
13 crease hydroelectric power production by replacing
14 turbine runners.

15 (7) A description of actions that are planned,
16 underway, or might reasonably be considered to in-
17 crease hydroelectric power production by performing
18 generator uprates and rewinds.

19 (8) The impact of increased hydroelectric power
20 production on irrigation, fish, wildlife, Indian tribes,
21 river health, water quality, navigation, recreation,
22 fishing, and flood control.

23 (9) Any additional recommendations the Sec-
24 retary considers advisable to increase hydroelectric
25 power production from, and reduce costs and im-



1 prove efficiency at, facilities under the jurisdiction of
2 the Secretary.

3 **SEC. 30502. STUDY AND IMPLEMENTATION OF INCREASED**
4 **OPERATIONAL EFFICIENCIES IN HYDRO-**
5 **ELECTRIC POWER PROJECTS.**

6 (a) IN GENERAL.—The Secretary of Interior shall
7 conduct a study of operational methods and water sched-
8 uling techniques at all hydroelectric power plants under
9 the administrative jurisdiction of the Secretary that have
10 an electric power production capacity greater than 50
11 megawatts, to—

12 (1) determine whether such power plants and
13 associated river systems are operated so as to opti-
14 mize energy and capacity capabilities; and

15 (2) identify measures that can be taken to im-
16 prove operational flexibility at such plants to achieve
17 such optimization.

18 (b) REPORT.—The Secretary shall submit a report on
19 the findings, conclusions, and recommendations of the
20 study under this section by not later than 18 months after
21 the date of the enactment of this Act, including a sum-
22 mary of the determinations and identifications under
23 paragraphs (1) and (2) of subsection (a). The Secretary
24 shall include in the report the impact of optimized hydro-
25 electric power production on irrigation, fish, wildlife, In-



1 dian tribes, river health, water quality, navigation, recre-
2 ation, fishing, and flood control.

3 (c) COOPERATION WITH FEDERAL POWER MAR-
4 KETING ADMINISTRATIONS.—The Secretary shall coordi-
5 nate with the Administrator of each Federal power mar-
6 keting administration in determining how the value of
7 electric power produced by each hydroelectric power facil-
8 ity that produces power marketed by the administration
9 can be optimized.

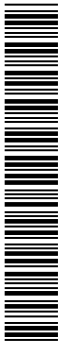
10 **SEC. 30503. SHIFT OF PROJECT LOADS TO OFF-PEAK PERI-**
11 **ODS.**

12 (a) IN GENERAL.—The Secretary of the Interior
13 shall—

14 (1) review electric power consumption by Bu-
15 reau of Reclamation facilities for water pumping
16 purposes; and

17 (2) make such adjustments in such pumping as
18 possible to minimize the amount of electric power
19 consumed for such pumping during periods of peak
20 electric power consumption, including by performing
21 as much of such pumping as possible during off-
22 peak hours at night.

23 (b) CONSENT OF AFFECTED IRRIGATION CUSTOMERS
24 REQUIRED.—The Secretary may not under this section
25 make any adjustment in pumping at a facility without the



1 consent of each person that has contracted with the
2 United States for delivery of water from the facility for
3 use for irrigation and that would be affected by such ad-
4 justment.

5 (c) EXISTING OBLIGATIONS NOT AFFECTED.—This
6 section shall not be construed to affect any existing obliga-
7 tion of the Secretary to provide electric power, water, or
8 other benefits from Bureau of Reclamation facilities.

9 **TITLE VI—GEOTHERMAL**
10 **ENERGY**

11 **SEC. 30601. COMPETITIVE LEASE SALE REQUIREMENTS.**

12 (a) IN GENERAL.—Section 4 of the Geothermal
13 Steam Act of 1970 (30 U.S.C. 1003) is amended to read
14 as follows:

15 “LEASING PROCEDURES

16 “SEC. 4. (a) IN GENERAL.—

17 “(1) NOMINATIONS.—The Secretary shall ac-
18 cept nominations at any time from qualified compa-
19 nies and individuals of areas to be leased under this
20 Act.

21 “(2) COMPETITIVE LEASE SALE REQUIRED.—

22 The Secretary shall hold a competitive lease sale at
23 least once every 2 years for lands in a State in that
24 are located areas with respect to which there are
25 nominations pending under paragraph (1).



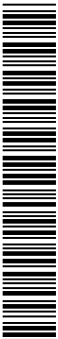
1 “(3) NONCOMPETITIVE LEASING.—The Sec-
2 retary shall make available for a period of 2 years
3 for noncompetitive leasing any lands for which a
4 competitive lease sale is held, but for which the Sec-
5 retary does not receive any bids in a competitive
6 lease sale.”.

7 (b) PENDING LEASE APPLICATIONS.—Not later than
8 6 months after the date of the enactment of this Act, the
9 Secretary of the Interior shall initiate competitive lease
10 sales under the Geothermal Steam Act of 1970 (30 U.S.C.
11 1001 et seq.), as amended by this Act, for areas with re-
12 spect to which applications for leasing are pending on the
13 date of the enactment of this Act.

14 **SEC. 30602. SPECIAL PROVISIONS REGARDING DIRECT USE**
15 **OF LOW TEMPERATURE GEOTHERMAL EN-**
16 **ERGY RESOURCES.**

17 (a) LEASING PROCEDURE.—Section 4 of the Geo-
18 thermal Steam Act of 1970 (30 U.S.C. 1003) is further
19 amended by adding at the end the following:

20 “(b) LEASING OF LOW TEMPERATURE GEOTHERMAL
21 RESOURCES.—Lands leased under this Act exclusively for
22 qualified development and direct utilization of low tem-
23 perature geothermal resources shall be leased to any quali-
24 fied applicant who first applies for such lease under regu-
25 lations formulated by the Secretary.”.



1 (b) LIMITATION ON LEASE AREA.—Section 7 of the
2 Geothermal Steam Act of 1970 (30 U.S.C. 1006) is
3 amended—

4 (1) in the first sentence by striking “A geo-
5 thermal lease” and inserting “(a) IN GENERAL.—
6 Except as provided in subsection (b), a geothermal
7 lease”; and

8 (2) by adding at the end the following:

9 “(b) LEASING OF LOW TEMPERATURE GEOTHERMAL
10 RESOURCES.—A geothermal lease for qualified develop-
11 ment and direct utilization of low temperature geothermal
12 resources shall embrace not more than the minimum
13 amount of acreage determined by the Secretary to be rea-
14 sonably necessary for such utilization.”.

15 (c) ANNUAL PAYMENT.—Section 5 of the Geothermal
16 Steam Act of 1970 (30 U.S.C. 1004) is amended—

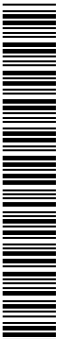
17 (1) in paragraph (c) by redesignating subpara-
18 graphs (1) and (2) as subparagraphs (A) and (B);

19 (2) by redesignating paragraphs (a) through (d)
20 in order as paragraphs (1) through (4);

21 (3) by inserting “(a) IN GENERAL.—” after
22 “SEC. 5.”; and

23 (4) by adding at the end the following:

24 “(b) EXEMPTION FOR USE OF LOW TEMPERATURE
25 RESOURCES.—



1 “(1) IN GENERAL.—In lieu of any royalty or
2 rental under subsection (a), a lease for qualified de-
3 velopment and direct utilization of low temperature
4 geothermal resources shall provide for payment by
5 the lessee of an annual fee per well of not less than
6 \$100, and not more than \$1,000, in accordance with
7 the schedule issued under paragraph (2).

8 “(2) SCHEDULE.—The Secretary shall issue a
9 schedule of fees under this section under which a fee
10 is based on the scale of development and utilization
11 to which the fee applies.”.

12 (d) DEFINITIONS.—Section 2 of the Geothermal
13 Steam Act of 1970 (30 U.S.C. 1001) is amended—

14 (1) in paragraph (f) by redesignating subpara-
15 graphs (1) through (4) in order as subparagraphs
16 (A) through (D);

17 (2) by redesignating paragraphs (a) through (f)
18 in order as paragraphs (1) through (6); and

19 (3) by adding at the end the following:

20 “(7) LOW TEMPERATURE GEOTHERMAL RE-
21 SOURCES.—The term ‘low temperature geothermal
22 resources’ means geothermal steam and associated
23 geothermal resources having a wellhead temperature
24 of less than 195 degrees Fahrenheit.



1 “(8) QUALIFIED DEVELOPMENT AND DIRECT
2 UTILIZATION.—The term ‘qualified development and
3 direct utilization’ means development and utilization
4 in which all products of geothermal resources, other
5 than any heat utilized, are returned to the geo-
6 thermal formation from which they are produced.”.

7 (e) EXISTING LEASES.—

8 (1) APPLICATION TO CONVERT.—Any lessee
9 under a lease under the Geothermal Steam Act of
10 1970 that was issued before the date of the enact-
11 ment of this Act may apply to the Secretary of the
12 Interior, by not later than 18 months after the date
13 of the enactment of this Act, to convert such lease
14 to a lease for qualified development and direct utili-
15 zation of low temperature geothermal resources in
16 accordance with the amendments made by this sec-
17 tion.

18 (2) CONVERSION.—The Secretary shall approve
19 such an application and convert such a lease to a
20 lease in accordance with the amendments by not
21 later than 180 days after receipt of such application,
22 unless the Secretary determines that the applicant is
23 not a qualified applicant with respect to the lease.



1 **SEC. 30603. ROYALTIES AND NEAR-TERM PRODUCTION IN-**
2 **CENTIVES.**

3 (a) ROYALTY.—Section 5 of the Geothermal Steam
4 Act of 1970 (30 U.S.C. 1004) is further amended in sub-
5 section (a) by striking paragraph (1) and inserting the fol-
6 lowing:

7 “(1) a royalty on direct use of geothermal
8 steam and associated geothermal resources, other
9 than low temperature geothermal resources, which
10 shall be—

11 “(A) 3.5 percent of the gross proceeds
12 from the sale of electricity produced by such re-
13 sources; and

14 “(B) 0.75 percent of the gross proceeds
15 from the sale of items produced by the direct
16 use of such resources;”.

17 (b) NEAR-TERM PRODUCTION INCENTIVE.—

18 (1) IN GENERAL.—Notwithstanding section
19 5(a) of the Geothermal Steam Act of 1970, as
20 amended by subsection (a), or any provision of any
21 lease under that Act, the royalty required to be
22 paid—

23 (A) under any qualified geothermal energy
24 lease with respect to commercial production of
25 heat or energy from a facility that begins such



1 production in the 6-year period beginning on
2 the date of the enactment of this Act; or

3 (B) on qualified expansion geothermal en-
4 ergy;

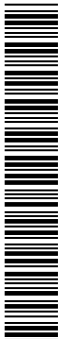
5 shall be 50 percent of the amount of royalty other-
6 wise required to be paid under those provisions.

7 (2) STATE SHARE.—Notwithstanding section 20
8 of the Geothermal Steam Act of 1970 (30 U.S.C.
9 1019), section 35 of the Mineral Leasing Act (30
10 U.S.C.191), or section 6 of the Mineral Leasing Act
11 for Acquired Lands (30 U.S.C. 355), in the case of
12 monies received by the United States from royalty
13 described in subparagraph (A) or (B) of paragraph
14 (1), the percentage required to be paid by the Sec-
15 retary of the Treasury to a State under those sec-
16 tions shall be 100 percent.

17 (3) 4-YEAR APPLICATION.—Paragraphs (1) and
18 (2) apply only to commercial production of heat or
19 energy from a facility in the first 4 years of such
20 production.

21 (4) NO EFFECT ON STATE PORTION.—This sub-
22 section shall not be construed to reduce the amount
23 of royalty required to be paid to a State.

24 (c) DEFINITIONS.—In this section:



1 (1) QUALIFIED EXPANSION GEOTHERMAL EN-
2 ERGY.—The term “qualified expansion geothermal
3 energy” means geothermal energy produced from a
4 generation facility for which—

5 (A) the production is increased by more
6 than 10 percent as a result of expansion of the
7 facility carried out in the 6-year period begin-
8 ning on the date of the enactment of this Act;
9 and

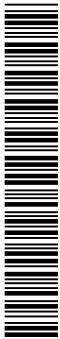
10 (B) such production increase is greater
11 than 10 percent of the average production by
12 the facility during the 5-year period preceding
13 the expansion of the facility.

14 (2) QUALIFIED GEOTHERMAL ENERGY
15 LEASE.—The term “qualified geothermal energy
16 lease” means a lease under the Geothermal Steam
17 Act of 1970 (30 U.S.C. 1001 et seq.)—

18 (A) that was executed before the end of
19 the 6-year period beginning on the date of the
20 enactment of this Act; and

21 (B) under which no commercial production
22 of any form of heat or energy occurred before
23 the date of the enactment of this Act.

24 (d) ROYALTY EXISTING LEASES.—



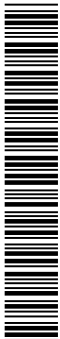
1 (1) IN GENERAL.—Any lessee under a lease
2 issued under the Geothermal Steam Act of 1970 be-
3 fore the date of the enactment of this Act may mod-
4 ify the terms of the lease relating to payment of roy-
5 alties to comply with the amendment made by sub-
6 section (a), by applying to the Secretary of the Inte-
7 rior by not later than 18 months after the date of
8 the enactment of this Act.

9 (2) APPLICATION OF MODIFICATION.—Such
10 modification shall apply to any use of geothermal
11 steam and associated geothermal resources to which
12 the amendment applies that occurs after the date of
13 that application.

14 **SEC. 30604. CONSULTATION REGARDING GEOTHERMAL**
15 **LEASING AND PERMITTING ON PUBLIC**
16 **LANDS.**

17 (a) IN GENERAL.—Not later than 6 months after the
18 date of the enactment of this Act, the Secretary of the
19 Interior and the Secretary of Agriculture shall enter into
20 and submit to the Congress a memorandum of under-
21 standing in accordance with this section regarding leasing
22 and permitting, for geothermal development, of public
23 lands under their respective administrative jurisdictions.

24 (b) LEASE AND PERMIT APPLICATIONS.—The memo-
25 randum of understanding shall include provisions that—



1 (1) identify known geothermal areas on public
2 lands within the National Forest System and when
3 necessary review management plans to consider leasing
4 under the Geothermal Steam Act of 1970 (30
5 U.S.C. 1001 et seq.) as a land use;

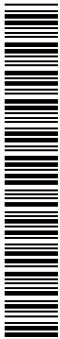
6 (2) establish an administrative procedure for
7 processing geothermal lease applications, including
8 lines of authority, steps in application processing,
9 and timeframes for application processing;

10 (3) provide that the Secretary concerned
11 shall—

12 (A) within 14 days after receiving an application
13 for a lease, determine whether the application
14 contains sufficient information to
15 allow processing of the application; and

16 (B) if the application is found not to contain
17 sufficient information to allow processing
18 the application the Secretary shall, before the
19 end of such 14-day period, provide written notification
20 to the lease applicant that the application
21 is being returned to the applicant without
22 processing and itemizing the deficiencies in the
23 application that prevent processing;

24 (4) provide that the Secretary concerned shall
25 within 30 days after receiving a lease application,



1 provide written notice to the lease applicant regard-
2 ing the status of the application, including an esti-
3 mation of the time that will be required to complete
4 action on the application; and

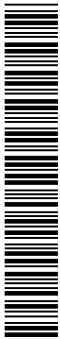
5 (5) establish an administrative procedure for
6 processing geothermal development permits, includ-
7 ing lines of authority, steps in permit processing,
8 and timeframes for permit processing.

9 (c) FIVE-YEAR LEASING PLAN.—The memorandum
10 of understanding shall develop a 5-year plan for leasing
11 under the Geothermal Steam Act of 1970 (30 U.S.C. 1001
12 et seq.) of public land in the National Forest System. The
13 plan for geothermal leasing shall be updated every 5 years.

14 (d) DATA RETRIEVAL SYSTEM.—The memorandum
15 of understanding shall establish a joint data retrieval sys-
16 tem that is capable of tracking lease and permit applica-
17 tions and requests and providing to the applicant or re-
18 quester information as to their status within the Depart-
19 ments of the Interior and Agriculture, including an esti-
20 mate of the time required for administrative action.

21 **SEC. 30605. REVIEW AND REPORT TO CONGRESS.**

22 The Secretary of the Interior shall promptly review
23 and report to the Congress within 3 years after the date
24 of the enactment of this Act regarding the status of all
25 moratoria on and withdrawals from leasing under the Geo-



1 thermal Steam Act of 1970 (30 U.S.C. 1001 et seq.) of
2 known geothermal resources areas (as that term is defined
3 in section 2 of that Act (30 U.S.C. 1001), specifying for
4 each such area whether the basis for such moratoria or
5 withdrawal still applies.

6 **SEC. 30606. REIMBURSEMENT FOR COSTS OF NEPA ANAL-**
7 **YSES, DOCUMENTATION, AND STUDIES.**

8 (a) IN GENERAL.—The Geothermal Steam Act of
9 1970 (30 U.S.C. 1001 et seq.) is amended by adding at
10 the end the following:

11 “REIMBURSEMENT FOR COSTS OF CERTAIN ANALYSES,
12 DOCUMENTATION, AND STUDIES

13 “SEC. 30. (a) IN GENERAL.—The Secretary of the
14 Interior may, through royalty credits, reimburse a person
15 who is a lessee, operator, operating rights owner, or appli-
16 cant for a lease under this Act for reasonable amounts
17 paid by the person for preparation by the Secretary (or
18 a contractor or other person selected by the Secretary) of
19 any project-level analysis, documentation, or related study
20 required under the National Environmental Policy Act of
21 1969 (42 U.S.C. 4321 et seq.) with respect to the lease.

22 “(b) CONDITIONS.—The Secretary may provide reim-
23 bursement under subsection (a) only if—

24 “(1) adequate funding to enable the Secretary
25 to timely prepare the analysis, documentation, or re-
26 lated study is not appropriated;



1 “(2) the person paid the amounts voluntarily;
2 and

3 “(3) the person maintains records of its costs
4 in accordance with regulations prescribed by the
5 Secretary.”.

6 (b) APPLICATION.—The amendments made by this
7 section shall apply with respect to any lease entered into
8 before, on, or after the date of the enactment of this Act.

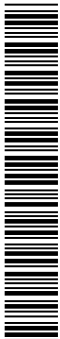
9 (c) DEADLINE FOR REGULATIONS.—The Secretary
10 shall issue regulations implementing the amendments
11 made by this section by not later than 90 days after the
12 date of the enactment of this Act.

13 **SEC. 30607. ASSESSMENT OF GEOTHERMAL ENERGY PO-**
14 **TENTIAL.**

15 The Secretary of Interior, acting through the Direc-
16 tor of the United States Geological Survey, shall update
17 the 1978 Assessment of Geothermal Resources, and sub-
18 mit that updated assessment to the Committee on Re-
19 sources of the House of Representatives and the Com-
20 mittee on Energy and Natural Resources of the Senate—

21 (1) within 3 years after the date of enactment
22 of this Act; and

23 (2) thereafter as the availability of data and de-
24 velopments in technology warrant.



1 **SEC. 30608. COOPERATIVE OR UNIT PLANS.**

2 (a) IN GENERAL.—Section 18 of the Geothermal
3 Steam Act of 1970 (30 U.S.C. 1017) is amended to read
4 as follows:

5 “COOPERATIVE OR UNIT PLANS

6 “SEC. 18. (a) ADOPTION OF PLAN BY LESSEES.—

7 “(1) IN GENERAL.—For the purpose of more
8 properly conserving the natural resources of any
9 geothermal field, or like area, or any part thereof
10 (whether or not any part of the geothermal field, or
11 like area, is then subject to any cooperative or unit
12 plan of development or operation), lessees thereof
13 and their representatives may unite with each other,
14 or jointly or separately with others, in collectively
15 adopting and operating under a cooperative or unit
16 plan of development or operation of such field, or
17 like area, or any part thereof, if determined and cer-
18 tified by the Secretary to be necessary or advisable
19 in the public interest.

20 “(2) MODIFICATION OF LEASE REQUIREMENTS

21 BY SECRETARY.—The Secretary may, in the discre-
22 tion of the Secretary, and with the consent of the
23 holders of leases involved, establish, alter, change, or
24 revoke drilling, producing, rental, minimum royalty,
25 and royalty requirements of such leases and to make
26 such regulations with reference to such leases, with



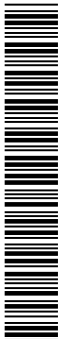
1 the consent of the lessees, in connection with the in-
2 stitution and operation of any such cooperative or
3 unit plan as the Secretary may deem necessary or
4 proper to secure the proper protection of the public
5 interest.

6 “(b) REQUIREMENT OF PLANS UNDER NEW
7 LEASES.—The Secretary—

8 “(1) may provide that geothermal leases issued
9 under this Act after the date of the enactment of
10 this section shall contain a provision requiring the
11 lessee to operate under such a reasonable coopera-
12 tive or unit plan; and

13 “(2) may prescribe such a plan under which
14 such lessee shall operate, which shall adequately pro-
15 tect the rights of all parties in interest, including the
16 United States.

17 “(c) MODIFICATION OF RATE OF PROSPECTING, DE-
18 VELOPMENT, AND PRODUCTION.—The Secretary may re-
19 quire that any plan authorized by the this section that
20 applies to lands owned by the United States contain a pro-
21 vision under which authority is vested in the Secretary,
22 or any person, committee, or State or Federal officer or
23 agency as may be designated in the plan, to alter or mod-
24 ify from time to time the rate of prospecting and develop-



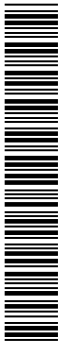
1 ment and the quantity and rate of production under such
2 plan.

3 “(d) EXCLUSION FROM DETERMINATION OF HOLD-
4 ING OR CONTROL.—Any lands that are subject to any plan
5 approved or prescribed by the Secretary under this section
6 shall not be considered in determining holdings or control
7 under any provision of this Act.

8 “(e) POOLING OF CERTAIN LANDS.—If separate
9 tracts of lands cannot be independently developed and op-
10 erated to use geothermal steam and associated geothermal
11 resources pursuant to this Act in conformity with an es-
12 tablished development program—

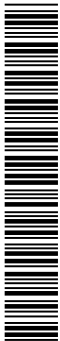
13 “(1) any such lands, or a portion thereof, may
14 be pooled with other lands, whether or not owned by
15 the United States, for purposes of such development
16 and operation under a communitization agreement
17 providing for an apportionment of production or roy-
18 alties among the separate tracts of land comprising
19 the production unit, if such pooling is determined by
20 the Secretary to be in the public interest; and

21 “(2) operation or production pursuant to such
22 an agreement shall be treated as operation or pro-
23 duction with respect to each tract of land that is
24 subject to the agreement.



1 “(f) PLAN REVIEW.—No more than 5 years after ap-
2 proval of any cooperative or unit plan of development or
3 operation, and at least every 5 years thereafter, the Sec-
4 retary shall review each such plan and, after notice and
5 opportunity for comment, eliminate from inclusion in such
6 plan any lands that the Secretary determines are not rea-
7 sonably necessary for cooperative or unit operations under
8 the plan. Such elimination shall be based on scientific evi-
9 dence, and shall occur only if it is determined by the Sec-
10 retary to be for the purpose of conserving and properly
11 managing the geothermal resource. Any land so eliminated
12 shall be eligible for an extension under subsection (c) or
13 (g) of section 6 if it meets the requirements for such an
14 extension.

15 “(g) APPROVAL BY SECRETARY.—The Secretary
16 may, on such conditions as the Secretary may prescribe,
17 approve operating, drilling, or development contracts made
18 by one or more lessees of geothermal leases, with one or
19 more persons, associations, or corporations if, in the dis-
20 cretion of the Secretary, the conservation of natural re-
21 sources or the public convenience or necessity may require
22 or the interests of the United States may be best served
23 thereby. All leases operated under such approved oper-
24 ating, drilling, or development contracts, and interests



1 thereunder, shall be excepted in determining holdings or
2 control under section 7 of this Act.”.

3 **SEC. 30609. ROYALTY ON BYPRODUCTS.**

4 Section 5 of the Geothermal Steam Act of 1970 (30
5 U.S.C. 1004) is further amended in subsection (a) by
6 striking paragraph (2) and inserting the following:

7 “(2) a royalty on any byproduct that is a min-
8 eral named in the first section of the Mineral Leas-
9 ing Act (30 U.S.C. 181), and that is derived from
10 production under the lease, at the rate of the royalty
11 that applies under that Act to production of such
12 mineral under a lease under that Act;”.

13 **SEC. 30610. REPEAL OF AUTHORITIES OF SECRETARY TO**
14 **READJUST TERMS, CONDITIONS, RENTALS,**
15 **AND ROYALTIES.**

16 Section 8 of the Geothermal Steam Act of 1970 (30
17 U.S.C. 1007) is amended by repealing subsections (a) and
18 (b), and by striking “(c)”.

19 **SEC. 30611. CREDITING OF RENTAL TOWARD ROYALTY.**

20 Section 5 of the Geothermal Steam Act of 1970 (30
21 U.S.C. 1004) is further amended—

22 (1) in subsection (a)(2) by inserting “and”
23 after the semicolon at the end;

24 (2) in subsection (a)(3) by striking “; and” and
25 inserting a period;



1 (3) by striking paragraph (4) of subsection (a);

2 and

3 (4) by adding at the end the following:

4 “(c) CREDITING OF RENTAL TOWARD ROYALTY.—

5 Any annual rental under this section that is paid with re-

6 spect to a lease before the first day of the year for which

7 the annual rental is owed shall be credited to the amount

8 of royalty that is required to be paid under the lease for

9 that year.”.

10 **SEC. 30612. LEASE DURATION AND WORK COMMITMENT RE-**

11 **QUIREMENTS.**

12 (a) IN GENERAL.—Section 6 of the Geothermal

13 Steam Act of 1970 (30 U.S.C. 1005) is amended—

14 (1) by striking so much as precedes subsection

15 (c), and striking subsections (e), (g), (h), (i), and

16 (j);

17 (2) by redesignating subsections (c), (d), and

18 (f) in order as subsections (g), (h), and (i);

19 (3) by inserting before subsection (g), as so re-

20 designated, the following:

21 “LEASE TERM AND WORK COMMITMENT REQUIREMENTS

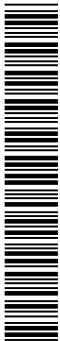
22 “SEC. 6. (a) PRIMARY TERM.—

23 “(1) IN GENERAL.—A geothermal lease shall be

24 for a primary term of ten years.

25 “(2) INITIAL EXTENSION.—The Secretary shall

26 extend the primary term of a geothermal lease for



1 5 years if, for each year after the fifth year of the
2 lease—

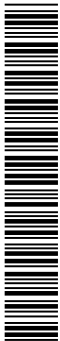
3 “(A) the Secretary determined under sub-
4 section (c) that the lessee satisfied the work
5 commitment requirements that applied to the
6 lease for that year; or

7 “(B) the lessee paid in accordance with
8 subsection (d) the value of any work that was
9 not completed in accordance with those require-
10 ments.

11 “(3) ADDITIONAL EXTENSION.—The Secretary
12 shall extend the primary term of a geothermal lease
13 (after an extension under paragraph (2)) for an ad-
14 ditional 5 years if, for each year after the fifteenth
15 year of the lease, the Secretary determined under
16 subsection (c) that the lessee satisfied the work com-
17 mitment requirements that applied to the lease for
18 that year.

19 “(b) REQUIREMENT TO SATISFY ANNUAL WORK
20 COMMITMENT REQUIREMENT.—

21 “(1) IN GENERAL.—The lessee for a geothermal
22 lease shall, for each year after the fifth year of the
23 lease, satisfy work commitment requirements pre-
24 scribed by the Secretary that apply to the lease for
25 that year.



1 “(2) PRESCRIPTION OF WORK COMMITMENT RE-
2 QUIREMENTS.—The Secretary shall issue regulations
3 prescribing minimum work commitment require-
4 ments for geothermal leases, that—

5 “(A) require that a lessee, in each year
6 after the fifth year of the primary term of a
7 geothermal lease, diligently work to achieve
8 commercial production or utilization of steam
9 under the lease;

10 “(B) require that in each year to which
11 work commitment requirements under the regu-
12 lations apply, the lessee shall significantly re-
13 duce the amount of work that remains to be
14 done to achieve such production or utilization;

15 “(C) describe specific work that must be
16 completed by a lessee by the end of each year
17 to which the work commitment requirements
18 apply;

19 “(D) carry forward and apply to work
20 commitment requirements for a year, work
21 completed in any year in the preceding 3-year
22 period that was in excess of the work required
23 to be performed in that preceding year; and



1 “(E) establish transition rules for leases
2 issued before the date of the enactment of this
3 subsection.

4 “(3) TERMINATION OF APPLICATION OF RE-
5 QUIREMENTS.—Work commitment requirements pre-
6 scribed under this subsection shall not apply to a
7 geothermal lease after the date on which geothermal
8 steam is produced or utilized under the lease in com-
9 mercial quantities.

10 “(c) DETERMINATION OF WHETHER REQUIREMENTS
11 SATISFIED.—The Secretary shall, by not later than 21
12 days after the end of each year for which work commit-
13 ment requirements under subsection (b) apply to a geo-
14 thermal lease—

15 “(1) determine whether the lessee has satisfied
16 the requirements that apply for that year;

17 “(2) notify the lessee of that determination; and

18 “(3) in the case of a notification that the lessee
19 did not satisfy work commitment requirements for
20 the year, include in the notification—

21 “(A) a description of the specific work that
22 was not completed by the lessee in accordance
23 with the requirements; and

24 “(B) the amount of the dollar value of
25 such work that was not completed, reduced by



1 the amount of expenditures made for work com-
2 pleted in a prior year that is carried forward
3 pursuant to subsection (b)(2)(D).

4 “(d) PAYMENT OF VALUE OF UNCOMPLETED
5 WORK.—

6 “(1) IN GENERAL.—If the Secretary notifies a
7 lessee that the lessee failed to satisfy work commit-
8 ment requirements under subsection (b), the lessee
9 shall pay to the Secretary, by not later than the end
10 of the 60-day period beginning on the date of the
11 notification, the dollar value of work that was not
12 completed by the lessee, in the amount stated in the
13 notification (as reduced under subsection (c)(3)(B)).

14 “(2) FAILURE TO PAY VALUE OF
15 UNCOMPLETED WORK.—If a lessee fails to pay such
16 amount to the Secretary before the end of that pe-
17 riod, the lease shall terminate upon the expiration of
18 the period.

19 “(e) CONTINUATION AFTER COMMERCIAL PRODUC-
20 TION OR UTILIZATION.—If geothermal steam is produced
21 or utilized in commercial quantities within the primary
22 term of the lease under subsection (a) (including any ex-
23 tension of the lease under subsection (a)), such lease shall
24 continue until the date on which geothermal steam is no
25 longer produced or utilized in commercial quantities.



1 “(f) CONVERSION OF GEOTHERMAL LEASE TO MIN-
2 ERAL LEASE.—The lessee under a lease that has produced
3 geothermal steam for electrical generation, has been deter-
4 mined by the Secretary to be incapable of any further com-
5 mercial production or utilization of geothermal steam, and
6 that is producing any valuable byproduct in payable quan-
7 tities may, within 6 months after such determination—

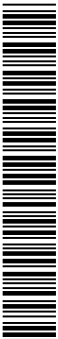
8 “(1) convert the lease to a mineral lease under
9 the Mineral Leasing Act (30 U.S.C. 181 et seq.) or
10 under the Mineral Leasing Act for Acquired Lands
11 (30 U.S.C. 351 et seq.), if the lands that are subject
12 to the lease can be leased under that Act for the
13 production of such byproduct; or

14 “(2) convert the lease to a mining claim under
15 the general mining laws, if the byproduct is a
16 locatable mineral.”.

17 (b) CONFORMING AMENDMENT.—

18 (1) Section 18 of the Geothermal Steam Act of
19 1970 (30 U.S.C. 1017) is amended by striking “sub-
20 section (c) or (g)” and inserting “subsection (g)”.

21 (2) Section 20 of the Geothermal Steam Act of
22 1970 (30 U.S.C. 1019) is amended by striking “, in-
23 cluding the payments referred to in section 6(i),”.



1 **SEC. 30613. ADVANCED ROYALTIES REQUIRED FOR SUS-**
2 **PENSION OF PRODUCTION.**

3 Section 5 of the Geothermal Steam Act of 1970 (30
4 U.S.C. 1004) is further amended by adding at the end
5 the following:

6 “(d) ADVANCED ROYALTIES REQUIRED FOR SUS-
7 PENSION OF PRODUCTION.—(1) If production of heat or
8 energy under a geothermal lease is suspended after the
9 date of any such production for which royalty is required
10 under section 5(a), the Secretary shall require the lessee,
11 until the end of such suspension, to pay royalty in advance
12 at the monthly pro-rata rate of the average annual rate
13 at which such royalty was paid each year in the 5-year-
14 period preceding the date of suspension.

15 “(2) Paragraph (1) shall not apply if the suspension
16 is required or otherwise caused by the Secretary, the Sec-
17 retary of a military department, or a State or local govern-
18 ment.”.

19 **SEC. 30614. ANNUAL RENTAL.**

20 (a) ANNUAL RENTAL RATE.—Section 5 of the Geo-
21 thermal Steam Act of 1970 (30 U.S.C. 1004) is further
22 amended in subsection (a) in paragraph (3) by striking
23 “\$1 per acre or fraction thereof for each year of the lease”
24 and all that follows through the end of the paragraph and
25 inserting “\$1 per acre or fraction thereof for each year
26 of the lease in the case of a lease awarded in a noncompeti-



1 tive lease sale; or \$2 per acre or fraction thereof for the
2 first year, \$3 per acre or fraction thereof for each of the
3 second through tenth years, and \$5 per acre or fraction
4 thereof for each year after the 10th year thereof, in the
5 case of a lease awarded in a competitive lease sale; and”.

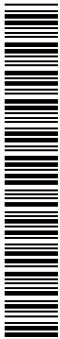
6 (b) TERMINATION OF LEASE FOR FAILURE TO PAY
7 RENTAL.—Section 5 of the Geothermal Steam Act of
8 1970 (30 U.S.C. 1004) is further amended by adding at
9 the end the following:

10 “(e) TERMINATION OF LEASE FOR FAILURE TO PAY
11 RENTAL.—

12 “(1) IN GENERAL.—The Secretary shall termi-
13 nate any lease with respect to which rental is not
14 paid in accordance with this Act and the terms of
15 the lease under which the rental is required, upon
16 the expiration of the 45-day period beginning on the
17 date of the failure to pay such rental.

18 “(2) NOTIFICATION.—The Secretary shall
19 promptly notify a lessee that has not paid rental re-
20 quired under the lease that the lease will be termi-
21 nated at the end of the period referred to in para-
22 graph (1).

23 “(3) REINSTATEMENT.—A lease that would
24 otherwise terminate under paragraph (1) shall not
25 terminate under that paragraph if the lessee pays to



1 the Secretary, before the end of the period referred
2 to in paragraph (1), the amount of rental due plus
3 a late fee equal to 10 percent of such amount.”.

4 **TITLE VII—COAL**

5 **SEC. 30701. SHORT TITLE.**

6 This title may be cited as the “Coal Leasing Amend-
7 ments Act of 2003”.

8 **SEC. 30702. REPEAL OF THE 160-ACRE LIMITATION FOR** 9 **COAL LEASES.**

10 Section 3 of the Mineral Leasing Act (30 U.S.C. 203)
11 is amended in the first sentence by striking “such lease,”
12 and all that follows through the end of the sentence and
13 inserting “such lease.”.

14 **SEC. 30703. MINING PLANS.**

15 Section 2(d)(2) of the Mineral Leasing Act (30
16 U.S.C. 202a(2)) is amended—

17 (1) by inserting “(A)” after “(2)”; and

18 (2) by adding at the end the following:

19 “(B) The Secretary may establish a period of more
20 than 40 years if the Secretary determines that the longer
21 period—

22 “(i) will ensure the maximum economic recovery
23 of a coal deposit; or



1 “(ii) the longer period is in the interest of the
2 orderly, efficient, or economic development of a coal
3 resource.”.

4 **SEC. 30704. PAYMENT OF ADVANCE ROYALTIES UNDER**
5 **COAL LEASES.**

6 (a) IN GENERAL.—Section 7(b) of the Mineral Leas-
7 ing Act of 1920 (30 U.S.C. 207(b)) is amended to read
8 as follows:

9 “(b)(1) Each lease shall be subjected to the condition
10 of diligent development and continued operation of the
11 mine or mines, except where operations under the lease
12 are interrupted by strikes, the elements, or casualties not
13 attributable to the lessee.

14 “(2)(A) The Secretary of the Interior, upon deter-
15 mining that the public interest will be served thereby, may
16 suspend the condition of continued operation upon the
17 payment of advance royalties.

18 “(B) Such advance royalties shall be computed based
19 on the average price for coal sold in the spot market from
20 the same region during the last month of each applicable
21 continued operation year.

22 “(C) The aggregate number of years during the ini-
23 tial and any extended term of any lease for which advance
24 royalties may be accepted in lieu of the condition of contin-
25 ued operation shall not exceed 20.



1 “(3) The amount of any production royalty paid for
2 any year shall be reduced (but not below zero) by the
3 amount of any advance royalties paid under such lease to
4 the extent that such advance royalties have not been used
5 to reduce production royalties for a prior year.

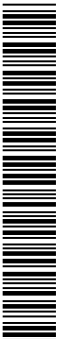
6 “(4) This subsection shall be applicable to any lease
7 or logical mining unit in existence on the date of the enact-
8 ment of this paragraph or issued or approved after such
9 date.

10 “(5) Nothing in this subsection shall be construed to
11 affect the requirement contained in the second sentence
12 of subsection (a) relating to commencement of production
13 at the end of 10 years.”.

14 (b) AUTHORITY TO WAIVE, SUSPEND, OR REDUCE
15 ADVANCE ROYALTIES.—Section 39 of the Mineral Leas-
16 ing Act (30 U.S.C. 209) is amended by striking the last
17 sentence.

18 **SEC. 30705. ELIMINATION OF DEADLINE FOR SUBMISSION**
19 **OF COAL LEASE OPERATION AND RECLAMA-**
20 **TION PLAN.**

21 Section 7(c) of the Mineral Leasing Act (30 U.S.C.
22 207(c)) is amended by striking “and not later than three
23 years after a lease is issued,”.



1 **SEC. 30706. AMENDMENTS RELATING TO FINANCIAL ASSUR-**
2 **ANCES WITH RESPECT TO BONUS BIDS.**

3 (a) PROHIBITION ON REQUIRING SURETY BONDS.—
4 Section 2(a) of the Mineral Leasing Act (30 U.S.C.
5 201(a)) is amended by adding at the end the following:

6 “(4) The Secretary shall not require a surety bond
7 or any other financial assurance to guarantee payment of
8 deferred bonus bid installments with respect to any coal
9 lease issued based upon a cash bonus bid.

10 “(5) Notwithstanding any other provision of law, if
11 the lessee under a coal lease fails to pay any installment
12 of a deferred cash bonus bid within 10 days after the Sec-
13 retary provides written notice that payment of such in-
14 stallment is past due—

15 “(A) such lease shall automatically terminate;

16 “(B) any deferred bonus payments that have
17 not been paid to the United States with respect to
18 such lease shall no longer be owed to the United
19 States; and

20 “(C) any bonus payments already made to the
21 United States with respect to such lease shall not be
22 returned to the lessee or credited in any future lease
23 sale.”.

24 (b) CONFORMING AMENDMENT.—Section 2(a)(1) of
25 the Mineral Leasing Act (30 U.S.C. 201(a)(1)) is amend-
26 ed by striking “Upon default or cancellation of any coal



1 lease for which bonus payments are due, any unpaid re-
2 mainder of the bid shall be immediately payable to the
3 United States.”.

4 **SEC. 30707. INVENTORY REQUIREMENT.**

5 (a) REVIEW OF ASSESSMENTS.—

6 (1) IN GENERAL.—The Secretary of the Inte-
7 rior, in consultation with the Secretary of Agri-
8 culture and the Secretary of Energy, shall review
9 coal assessments and other available data to
10 identify—

11 (A) public lands with coal resources;

12 (B) the extent and nature of any restric-
13 tions or impediments to the development of coal
14 resources on public lands identified under para-
15 graph (1); and

16 (C) with respect to areas of such lands for
17 which sufficient data exists, resources of com-
18 pliant coal and supercompliant coal.

19 (2) DEFINITIONS.—For purposes of this
20 subsection—

21 (A) the term “compliant coal” means coal
22 that contains not less than 1.0 and not more
23 than 1.2 pounds of sulfur dioxide per million
24 Btu; and



1 (B) the term “supercompliant coal” means
2 coal that contains less than 1.0 pounds of sul-
3 fur dioxide per million Btu.

4 (b) COMPLETION AND UPDATING OF THE INVEN-
5 TORY.—The Secretary—

6 (1) shall complete the inventory under sub-
7 section (a) by not later than 2 years after the date
8 of the enactment of this Act; and

9 (2) shall update the inventory as the availability
10 of data and developments in technology warrant.

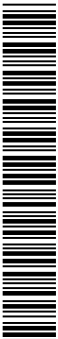
11 (c) REPORT.—The Secretary shall submit to the
12 Committee on Resources of the House of Representatives
13 and to the Committee on Energy and Natural Resources
14 of the Senate and make publicly available—

15 (1) a report containing the inventory under this
16 section, by not later than 2 years after the effective
17 date of this section; and

18 (2) each update of such inventory.

19 **SEC. 30708. APPLICATION OF AMENDMENTS.**

20 The amendments made by this title apply with re-
21 spect to any coal lease issued before, on, or after the date
22 of the enactment of this Act.



1 **TITLE VIII—INSULAR AREAS**
2 **ENERGY SECURITY**

3 **SEC. 30801. INSULAR AREAS ENERGY SECURITY.**

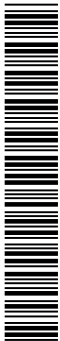
4 Section 604 of the Act entitled “An Act to authorize
5 appropriations for certain insular areas of the United
6 States, and for other purposes”, approved December 24,
7 1980 (Public Law 96–597; 94 Stat. 3480–3481), is
8 amended—

9 (1) in subsection (a)(4) by striking the period
10 and inserting a semicolon;

11 (2) by adding at the end of subsection (a) the
12 following new paragraphs:

13 “(5) electric power transmission and distribu-
14 tion lines in insular areas are inadequate to with-
15 stand damage caused by the hurricanes and ty-
16 phoons which frequently occur in insular areas and
17 such damage often costs millions of dollars to repair;
18 and

19 “(6) the refinement of renewable energy tech-
20 nologies since the publication of the 1982 Territorial
21 Energy Assessment prepared pursuant to subsection
22 (c) reveals the need to reassess the state of energy
23 production, consumption, infrastructure, reliance on
24 imported energy, and indigenous sources in regard
25 to the insular areas.”;



1 (3) by amending subsection (e) to read as fol-
2 lows:

3 “(e)(1) The Secretary of the Interior, in consultation
4 with the Secretary of Energy and the chief executive offi-
5 cer of each insular area, shall update the plans required
6 under subsection (c) by—

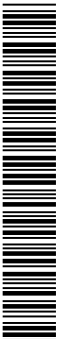
7 “(A) updating the contents required by sub-
8 section (c);

9 “(B) drafting long-term energy plans for such
10 insular areas with the objective of reducing, to the
11 extent feasible, their reliance on energy imports by
12 the year 2010 and maximizing, to the extent fea-
13 sible, use of indigenous energy sources; and

14 “(C) drafting long-term energy transmission
15 line plans for such insular areas with the objective
16 that the maximum percentage feasible of electric
17 power transmission and distribution lines in each in-
18 sular area be protected from damage caused by hur-
19 ricanes and typhoons.

20 “(2) Not later than May 31, 2004, the Secretary of
21 the Interior shall submit to the Congress the updated
22 plans for each insular area required by this subsection.”;
23 and

24 (4) by amending subsection (g)(4) to read as
25 follows:



1 “(4) POWER LINE GRANTS FOR TERRI-
2 TORIES.—

3 “(A) IN GENERAL.—The Secretary of the
4 Interior is authorized to make grants to govern-
5 ments of territories of the United States to
6 carry out eligible projects to protect electric
7 power transmission and distribution lines in
8 such territories from damage caused by hurri-
9 canes and typhoons.

10 “(B) ELIGIBLE PROJECTS.—The Secretary
11 may award grants under subparagraph (A) only
12 to governments of territories of the United
13 States that submit written project plans to the
14 Secretary for projects that meet the following
15 criteria:

16 “(i) The project is designed to protect
17 electric power transmission and distribu-
18 tion lines located in one or more of the ter-
19 ritories of the United States from damage
20 caused by hurricanes and typhoons.

21 “(ii) The project is likely to substan-
22 tially reduce the risk of future damage,
23 hardship, loss, or suffering.

24 “(iii) The project addresses one or
25 more problems that have been repetitive or



1 that pose a significant risk to public health
2 and safety.

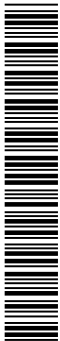
3 “(iv) The project is not likely to cost
4 more than the value of the reduction in di-
5 rect damage and other negative impacts
6 that the project is designed to prevent or
7 mitigate. The cost benefit analysis required
8 by this criterion shall be computed on a
9 net present value basis.

10 “(v) The project design has taken into
11 consideration long-term changes to the
12 areas and persons it is designed to protect
13 and has manageable future maintenance
14 and modification requirements.

15 “(vi) The project plan includes an
16 analysis of a range of options to address
17 the problem it is designed to prevent or
18 mitigate and a justification for the selec-
19 tion of the project in light of that analysis.

20 “(vii) The applicant has demonstrated
21 to the Secretary that the matching funds
22 required by subparagraph (D) are avail-
23 able.

24 “(C) PRIORITY.—When making grants
25 under this paragraph, the Secretary shall give



1 priority to grants for projects which are likely
2 to—

3 “(i) have the greatest impact on re-
4 ducing future disaster losses; and

5 “(ii) best conform with plans that
6 have been approved by the Federal Govern-
7 ment or the government of the territory
8 where the project is to be carried out for
9 development or hazard mitigation for that
10 territory.

11 “(D) MATCHING REQUIREMENT.—The
12 Federal share of the cost for a project for which
13 a grant is provided under this paragraph shall
14 not exceed 75 percent of the total cost of that
15 project. The non-Federal share of the cost may
16 be provided in the form of cash or services.

17 “(E) TREATMENT OF FUNDS FOR CERTAIN
18 PURPOSES.—Grants provided under this para-
19 graph shall not be considered as income, a re-
20 source, or a duplicative program when deter-
21 mining eligibility or benefit levels for Federal
22 major disaster and emergency assistance.

23 “(F) AUTHORIZATION OF APPROPRIA-
24 TIONS.—There is authorized to be appropriated
25 to carry out this paragraph \$5,000,000 for each



1 fiscal year beginning after the date of the en-
2 actment of this paragraph.”.

3 **TITLE IX—MISCELLANEOUS**
4 **PROVISIONS**

5 **SEC. 30901. REPORT ON ENERGY FACILITY RIGHTS-OF-WAY**
6 **AND CORRIDORS ON FEDERAL LANDS.**

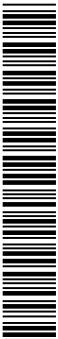
7 (a) REPORT TO CONGRESS.—

8 (1) IN GENERAL.—Not later than 1 year after
9 the date of the enactment of this section, the Sec-
10 retary of Agriculture and the Secretary of the Inte-
11 rior, in consultation with the Secretaries of Com-
12 merce, Defense, and Energy and the Federal Energy
13 Regulatory Commission, shall submit to the Commit-
14 tees on Energy and Commerce and Resources of the
15 House of Representatives and the Committee on En-
16 ergy and Natural Resources of the Senate a joint
17 report—

18 (A) addressing—

19 (i) the location of existing rights-of-
20 way and designated and de facto corridors
21 for oil and gas pipelines and electric trans-
22 mission and distribution facilities on Fed-
23 eral lands; and

24 (ii) opportunities for additional oil
25 and gas pipeline and electric transmission



1 capacity within such rights-of-way and cor-
2 ridors; and

3 (B) containing a plan for making available,
4 upon request, to the appropriate Federal, State,
5 and local agencies, tribal governments, and
6 other persons involved in the siting of oil and
7 gas pipelines and electricity transmission facili-
8 ties Geographic Information System-based in-
9 formation regarding the location of such exist-
10 ing rights-of-way and corridors and any planned
11 rights-of-way and corridors.

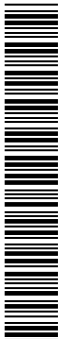
12 (2) CONSULTATIONS AND CONSIDERATIONS.—
13 In undertaking the report, the Secretary of the Inte-
14 rior and the Secretary of Agriculture shall consult
15 with—

16 (A) other agencies of Federal, State, tribal,
17 or local units of government as appropriate;

18 (B) persons involved in the siting of oil
19 and gas pipelines and electric transmission fa-
20 cilities; and

21 (C) other interested members of the public.

22 (3) LIMITATION.—The Secretary of the Interior
23 and the Secretary of Agriculture shall limit the dis-
24 tribution of the report and Geographic Information
25 System-based information referred to in paragraph



1 (1) as necessary for national and infrastructure se-
2 curity reasons, if either Secretary determines that
3 such information is authorized to be withheld from
4 public disclosure pursuant to a national security or
5 other exception under section 552(b) of title 5,
6 United States Code (popularly known as the “Free-
7 dom of Information Act”).

8 (b) CORRIDOR DESIGNATIONS.—

9 (1) WITHIN THE 11 CONTIGUOUS WESTERN
10 STATES.—Not later than 24 months after the date
11 of the enactment of this section, the Secretaries of
12 Agriculture, Commerce, Defense, Energy, and the
13 Interior, in consultation with the Federal Energy
14 Regulatory Commission and the affected utility in-
15 dustries, jointly shall—

16 (A) designate, pursuant to title 5 of the
17 Federal Land Policy and Management Act of
18 1976 (43 U.S.C. 1761 et seq.), and other appli-
19 cable Federal laws, corridors needed or useful
20 for oil and gas pipelines and electricity trans-
21 mission and facilities on Federal lands in the
22 eleven contiguous Western States as that term
23 is defined in section 103(o) of the Federal Land
24 Policy and Management Act of 1976 (43 U.S.C.
25 1702(o));



1 (B) perform any environmental reviews
2 that may be required to complete the designa-
3 tions of corridors for such facilities on Federal
4 lands in those States; and

5 (C) incorporate the designated corridors
6 into the relevant departmental and agency land
7 use and resource management plans or the
8 equivalent.

9 (2) WITHIN THE REMAINING STATES.—Not
10 later than 4 years after the date of the enactment
11 of this section, the Secretaries of Agriculture, Com-
12 merce, Defense, Energy, and the Interior, in con-
13 sultation with the Federal Energy Regulatory Com-
14 mission and the affected utility industries, jointly
15 shall identify corridors needed or useful for oil and
16 gas pipelines and electricity transmission and dis-
17 tribution facilities on Federal lands in the States
18 other than those described in paragraph (1), and
19 shall schedule prompt action to identify, designate,
20 and incorporate these corridors into the land use
21 plan.

22 (3) ONGOING RESPONSIBILITIES.—The Secre-
23 taries of Agriculture, Commerce, Defense, Energy,
24 and the Interior, in consultation with the Federal
25 Energy Regulatory Commission and the affected



1 utility industries, shall ensure that additional cor-
2 ridors as may be needed or useful for oil and gas
3 pipelines and electricity transmission and distribu-
4 tion facilities on Federal lands are promptly des-
5 ignated. The Secretaries shall provide a process for
6 the prompt review of applications for such corridors.

7 (c) FACTORS TO CONSIDER.—When carrying out this
8 section, the Secretaries shall take into account the need
9 for upgraded and new electricity transmission and dis-
10 tribution facilities to improve reliability, relieve congestion,
11 and enhance the capability of the national grid to deliver
12 electricity.

13 (d) DEFINITION OF CORRIDOR.—As used in this sec-
14 tion and for purposes of title V of the Federal Land Policy
15 and Management Act of 1976, the term ‘corridor’ shall
16 mean a linear strip of land without definite width, but lim-
17 ited by technological, environmental, and topographical
18 factors, and that contains or may in the future contain
19 one or more utility, communication, or transportation fa-
20 cilities. A corridor is a land use designation identified for
21 the purpose of establishing policy direction as to the pre-
22 ferred location of compatible linear facilities and compat-
23 ible and conflicting land uses. It does not imply entitle-
24 ment of use or limits as to siting facilities in additional
25 locations. Appropriate environmental review and regu-



1 latory permitting reflecting work already undertaken in
2 the designation of a corridor shall precede occupancy on
3 a project-specific basis.

4 **SEC. 30902. ELECTRICITY TRANSMISSION LINE RIGHT-OF-**
5 **WAY, CLEVELAND NATIONAL FOREST AND**
6 **ADJACENT PUBLIC LANDS, CALIFORNIA.**

7 (a) ISSUANCE.—Subject to subsection (c), the Sec-
8 retary of the Interior and the Secretary of Agriculture
9 shall issue all necessary grants, easements, permits, plan
10 amendments, and other approvals to allow for the siting
11 and construction of a high-voltage electricity transmission
12 line right-of-way running approximately north to south
13 through the Trabuco Ranger District of the Cleveland Na-
14 tional Forest in the State of California and adjacent lands
15 under the jurisdiction of the Bureau of Land Management
16 and the Forest Service. The right-of-way approvals shall
17 provide all necessary Federal authorization from the Sec-
18 retary of the Interior and the Secretary of Agriculture for
19 the routing, construction, operation, and maintenance of
20 a 500 KV transmission line capable of meeting the long-
21 term electricity transmission needs of the region between
22 the existing Valley-Serrano transmission line to the north
23 and the Telega–Escondido transmission line to the south,
24 and for connecting to future generating capacity that may
25 be developed in the region.



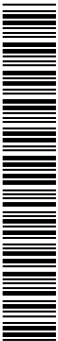
1 (b) PROTECTION OF WILDERNESS AREAS.—The Sec-
2 retary of the Interior and the Secretary of Agriculture
3 shall not allow any portion of a transmission line right-
4 of-way corridor identified in subsection (a) to enter any
5 identified wilderness area in existence as of the date of
6 the enactment of this section.

7 (c) ENVIRONMENTAL AND ADMINISTRATIVE RE-
8 VIEWS.—

9 (1) DEPARTMENT OF INTERIOR OR LOCAL
10 AGENCY.—The Secretary of the Interior, acting
11 through the Bureau of Land Management, shall be
12 the lead Federal agency with overall responsibility to
13 ensure completion of required environmental and
14 other reviews of the approvals to be issued under
15 subsection (a).

16 (2) NATIONAL FOREST SYSTEM LAND.—For the
17 portions of the corridor on National Forest System
18 lands, the Secretary of Agriculture shall complete all
19 required environmental reviews and administrative
20 actions in coordination with the Secretary of the In-
21 terior.

22 (3) EXPEDITIOUS COMPLETION.—The reviews
23 required for issuance of the approvals under sub-
24 section (a) shall be completed not later than 1 year
25 after the date of the enactment of this Act.



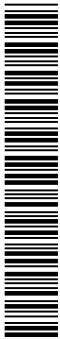
1 (d) TIME FOR ISSUANCE.—The necessary grants,
2 easements, permits, plan amendments, and other approv-
3 als for the transmission line right-of-way shall be issued
4 not later than 60 days after the completion of the environ-
5 mental reviews under subsection (c).

6 (e) OTHER TERMS AND CONDITIONS.—The trans-
7 mission line right-of-way shall be subject to such terms
8 and conditions as the Secretary of the Interior and the
9 Secretary of Agriculture consider necessary, as a result
10 of the environmental reviews under subsection (c), to pro-
11 tect the value of historic, cultural, and natural resources
12 under the jurisdiction of the Department of the Interior
13 or the Department of Agriculture.

14 (f) PREFERENCE AMONG PROPOSALS.—The Sec-
15 retary of the Interior and the Secretary of Agriculture
16 shall give a preference to any application or preapplication
17 proposal for a transmission line right-of-way, as described
18 in subsection (a), that was submitted before December 31,
19 2002, over all other applications and proposals for the
20 same or similar right-of-way submitted on or after that
21 date.

22 **SEC. 30903. CONSULTATION REGARDING ENERGY RIGHTS-**
23 **OF-WAY ON PUBLIC LANDS.**

24 (a) IN GENERAL.—Not later than 6 months after the
25 date of the enactment of this Act, the Secretary of the



1 Interior and the Secretary of Agriculture shall enter into,
2 and submit to the Congress, a memorandum of under-
3 standing in accordance with this section regarding the
4 processing of new applications for linear rights of way for
5 electrical transmission lines and oil or gas pipelines on
6 public lands within the jurisdiction of the Secretary of the
7 Interior and National Forest System lands within the ju-
8 risdiction of the Secretary of Agriculture.

9 (b) CONTENTS.—The memorandum of understanding
10 shall include provisions that—

11 (1) establish an administrative procedure for
12 processing right-of-way applications, including lines
13 of authority, steps in application processing, and
14 timeframes for application processing;

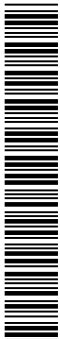
15 (2) provide for coordination of planning relating
16 to the granting of these rights-of-way;

17 (3) provide for coordination of environmental
18 compliance efforts to avoid duplication of effort; and

19 (4) provide for coordination of use of right-of-
20 way stipulations to achieve consistency.

21 **SEC. 30904. ENHANCING ENERGY EFFICIENCY IN MANAGE-**
22 **MENT OF FEDERAL LANDS.**

23 (a) SENSE OF THE CONGRESS.—It is the sense of the
24 Congress that Federal agencies should enhance the use of



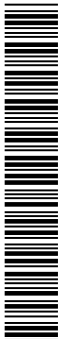
1 energy efficient technologies in the management of natural
2 resources.

3 (b) ENERGY EFFICIENT BUILDINGS.—To the extent
4 practicable, the Secretary of the Interior, the Secretary
5 of Commerce, and the Secretary of Agriculture shall seek
6 to incorporate energy efficient technologies in public and
7 administrative buildings associated with management of
8 the National Park System, National Wildlife Refuge Sys-
9 tem, National Forest System, National Marine Sanc-
10 tuaries System, and other public lands and resources man-
11 aged by the Secretaries.

12 (c) ENERGY EFFICIENT VEHICLES.—To the extent
13 practicable, the Secretary of the Interior, the Secretary
14 of Commerce, and the Secretary of Agriculture shall seek
15 to use energy efficient motor vehicles, including vehicles
16 equipped with biodiesel or hybrid engine technologies, in
17 the management of the National Park System, National
18 Wildlife Refuge System, National Forest System, National
19 Marine Sanctuaries System, and other public lands and
20 resources managed by the Secretaries.

21 **SEC. 30905. PERMITTING OF WIND ENERGY DEVELOPMENT**
22 **PROJECTS ON PUBLIC LANDS.**

23 (a) REQUIRED POLICIES AND PROCEDURES.—The
24 Secretary of the Interior shall process right-of-way appli-
25 cations for wind energy site testing and monitoring facili-



1 ties on public lands administered by the Bureau of Land
2 Management in accordance with policies and procedures
3 that are substantially the same as those set forth in Bu-
4 reau of Land Management Instruction Memorandum No.
5 2003-020, dated October 16, 2002.

6 (b) LIMITATION ON RENT AND OTHER CHARGES.—

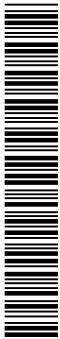
7 (1) IN GENERAL.—The Secretary of the Inte-
8 rior may not impose rent and other charges with re-
9 spect to any wind energy development project on
10 public lands that, in the aggregate, exceed 50 per-
11 cent of the maximum amount of rent that could be
12 charged with respect to that project under the terms
13 of the Bureau of Land Management Instruction
14 Memorandum referred to in subsection (a).

15 (2) TERMINATION.—Paragraph (1) shall not
16 apply after the earlier of—

17 (A) the date on which the Secretary of the
18 Interior determines there exists at least 10,000
19 megawatts of electricity generating capacity
20 from non-hydropower renewable energy re-
21 sources on public lands; or

22 (B) the end of the 10-year period begin-
23 ning on the date of the enactment of this Act.

24 (3) STATE SHARE NOT AFFECTED.—This sub-
25 section shall not affect any State share of rent and



1 other charges with respect to any wind energy devel-
2 opment project on public lands.

3 **SEC. 30906. SENSE OF THE CONGRESS REGARDING GEN-**
4 **ERATION CAPACITY OF ELECTRICITY FROM**
5 **RENEWABLE ENERGY RESOURCES ON PUB-**
6 **LIC LANDS.**

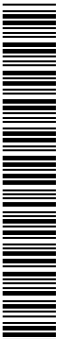
7 It is the sense of the Congress that the Secretary of
8 the Interior shall, within the next 10 years after the date
9 of the enactment of this Act, seek to have approved non-
10 hydropower renewable energy projects located on the pub-
11 lic lands with a generation capacity of at least 10,000
12 megawatts of electricity.

13 **SEC. 30907. ASSESSMENT OF OCEAN THERMAL ENERGY RE-**
14 **SOURCES.**

15 (a) **RESOURCE ASSESSMENT.**—Not later than 3
16 months after the date of the enactment of this Act, and
17 each year thereafter, the Secretary of the Interior shall—

18 (1) review assessments of ocean thermal energy
19 resources, other than resources of any area of the
20 Outer Continental Shelf that is subject to a morato-
21 rium on leasing for energy exploration or develop-
22 ment, that are available in the United States and its
23 territories and possessions; and

24 (2) undertake new assessments of such re-
25 sources as necessary.



1 (b) CONSIDERATIONS.—In reviewing and under-
2 taking assessments under subsection (a), the Secretary
3 shall take into account changes in market conditions,
4 available technologies, and other relevant factors.

5 (c) REPORTS.—Not later than 1 year after the date
6 of the enactment of this Act, and each year thereafter,
7 the Secretary shall publish a report on reviews and assess-
8 ments under subsection (a). Each report shall contain—

9 (1) a detailed inventory of the available amount
10 and characteristics of ocean thermal energy re-
11 sources;

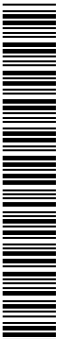
12 (2) estimates of the costs of actions needed to
13 develop and accelerate efforts to commercialize ocean
14 thermal energy conversion; and

15 (3) such other information as the Secretary
16 considers would be useful in developing ocean ther-
17 mal energy resources.

18 **SEC. 30908. SENSE OF THE CONGRESS REGARDING DEVEL-**
19 **OPMENT OF MINERALS UNDER PADRE IS-**
20 **LAND NATIONAL SEASHORE.**

21 (a) FINDINGS.—The Congress finds the following:

22 (1) Pursuant to Public Law 87–712 (16 U.S.C.
23 459d et seq.; popularly known as the “Federal Ena-
24 bling Act”) and various deeds and actions there-
25 under, the United States is the owner of the surface

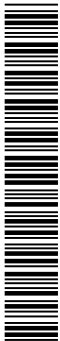


1 estate only of certain lands constituting the Padre
2 Island National Seashore.

3 (2) Ownership of the oil, gas, and other min-
4 erals in the subsurface estate of the lands consti-
5 tuting the Padre Island National Seashore was never
6 acquired by the United States and ownership of
7 those interests are held by the State of Texas and
8 private parties.

9 (3) The Federal Enabling Act expressly con-
10 templated that the United States would recognize
11 the ownership and future development of the oil,
12 gas, and other minerals in the subsurface estate of
13 the lands constituting the Padre Island National
14 Seashore by the owners and their mineral lessees
15 and recognized that approval of the State of Texas
16 was required to create Padre Island National Sea-
17 shore.

18 (4) Approval was given for the creation of
19 Padre Island National Seashore by the State of
20 Texas through TEX. REV. CIV. STAT. ANN. Art.
21 6077(t) (Vernon 1970), which expressly recognized
22 that development of the oil, gas, and other minerals
23 in the subsurface of the lands constituting Padre Is-
24 land National Seashore would be conducted with full



1 rights of ingress and egress under the laws of the
2 State of Texas.

3 (b) SENSE OF THE CONGRESS.—With regard to Fed-
4 eral law, any regulation of the development of oil, gas, or
5 other minerals in the subsurface of the lands constituting
6 Padre Island National Seashore should be made as if those
7 lands retained the status that they had on September 27,
8 1962.

